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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

UNIVERSITY OF SOUTHERN CALIFORNIA,

Opposer,

v.

UNIVERSITY OF SOUTH CAROLINA,

Applicant.

Opposition No. 91125615

Serial No. 75/358,031

Mark: SC (Stylized)

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REPLY BRIEF OF THE UNIVERSITY OF SOUTHERN CALIFORNIA
AS PLAINTIFF IN THE OPPOSITION AND OPPOSITION BRIEF
AS DEFENDANT IN THE COUNTERCLAIM FOR CANCELLATION

[VERSION WITH CONFIDENTIAL PORTIONS REDACTED]

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I. INTRODUCTION

In its opening brief, Opposer University of Southern California ("California") presented specific evidence showing that California has consistently used SC as its principal athletic mark since before 1900, that the school is nationally known as "SC," and that it has consistently used the SC mark in connection with merchandise such as hats, t-shirts, and shorts since at least 1976. California also presented specific evidence which shows that Applicant University of South Carolina ("Carolina") did not typically use SC to identify itself as an institution and that there were at least three particular periods (with the last ending in 1991) during which Carolina had abandoned any rights it may have otherwise possessed in SC. Finally, California presented specific evidence demonstrating that Carolina's proposed mark is a form of California's nationally-known SC, and that it would be used on the same goods sold by California, sold through the same channels of trade.

In Carolina's opening brief, Carolina attempts to distract this Board from the clear facts by citing to irrelevant evidence. For example, on the subject of abandonment, California specifically identified the three periods as 1906-1921, 1931-1948, and 1974-1991, and California submitted Carolina's own yearbooks from these periods to show that Carolina was not using the SC mark to identify itself as an institution during those periods. However, rather than address the specific periods identified by California, Carolina attempted to obfuscate the issue by making the conclusory statement that "Carolina always continued use of the letters 'SC'" and citing to some evidence from each decade between 1890 and 2000 except for the decade between 1910 and 1920. [Applicant's Brief ("App. Br.") 5-6.]

When the Board goes back to review the evidence cited by Carolina, the Board will see that *none* of the evidence falls into the period between 1906 and 1921, inclusive (a 17 year gap). When the Board goes back to review the evidence, the Board will see that none of the evidence between 1931 and 1948, inclusive, shows any actual attempt by Carolina to identify itself as an institution with the letters SC (an 18 year gap). Finally, when the Board goes back to review the evidence, the Board will see that none of the evidence between 1974 and 1983 shows any attempt by Carolina to identify itself as an institution with the letters SC and there is no evidence at all for the 1984-1991 period (a total 18 year gap).

California has put in concrete evidence demonstrating that Carolina abandoned any rights it may have possessed in SC before 1991, shifting the burden to Carolina to prove otherwise. Notwithstanding its conclusory statements, Carolina did not use SC to identify itself as an institution during these periods and cannot meet its burden to show otherwise.

Likewise, in response to evidence that California has been continuously selling collegiate merchandise with the SC mark since at least 1976 and that Carolina did not license any SC product until at least 1997, Carolina argues that “Carolina has the earliest evidence of the letters ‘SC’ in connection with a product; namely the freshman rat hat.” [App. Br. 4.] In other words, Carolina attempts to argue for priority based on the freshman rat hat. However, when the Board reviews the actual evidence on the rat hat (particularly A-Ex. 90.8), the Board will see that the “rat hat” cannot qualify as a viable first use for the SC mark on products. Leaving aside numerous other issues discussed below in the text, even Carolina does not claim to have used the rat hat after the early 1960s. Since there is no evidence before 1997 of any alleged use other than the rat hat, there were at least four decades of non-use between the early 1960s and 1997. This is more than sufficient to show abandonment, so even if the rat hat qualified as a viable trademark use on products in 1898 or 1960, it would do Carolina no good now.

Although California could continue with a laundry list of Carolina’s citations to irrelevant evidence (or assertions that are wrong or otherwise unsupported by any evidence at all), California believes that the more productive approach is to address each of the relevant legal factors and discuss the evidence in connection with those factors. California will first demonstrate why it has priority on SC and why Carolina’s arguments to the contrary are unavailing. California will then review each of the *DuPont* factors and demonstrate why Carolina’s arguments on each of them are either (a) factually wrong, (b) legally wrong, (c) irrelevant, or (d) all of the above.

On the *DuPont* factors in particular, the key issue is that the marks are the same, the goods are same, and the channels of trade are substantially the same. Carolina has effectively conceded that the marks are the same by presenting no argument that properly goes to the first *DuPont* factor. Carolina does contest the second factor (the identical nature of the goods), but only by presenting the novel and

meritless argument that hats or t-shirts from one source should be considered different goods than hats or t-shirts from another source. Finally, Carolina's only point that could go to the third *DuPont* factor is equally without merit, since Carolina assumes that a limitation on California's channels of trade in its registration "mandates" that California also limit its common law rights. This ignores the fact that registrations are supplemental to common law rights, and settled law confirms that limitations in a registration do not affect underlying common law rights.

These are the most important *DuPont* factors, and they compel the rejection of Carolina's application for a variant of the California's SC mark. The remaining *DuPont* factors also favor California, with the net result that this Board should uphold this Opposition.

II. ANALYSIS

A. The University of Southern California Has Priority for SC.

1. California Has More than Twenty Years' Priority Over Carolina For Use of the SC Mark on Products.

a. Carolina's Invocation of the Freshman Rat Hat Is Irrelevant.

As noted above, Carolina claims priority for use of the letters SC on collegiate clothing products by virtue of the "freshman rat cap." However, even if admissible and credible, South Carolina's evidence would show only that freshman students wore the rat hat between the late 1800s and the early 1960s. [App. Br. 5.] This does not qualify as a use to designate the source of a product, and – even if it did – the gap of more than thirty years between the early 1960s and 1997 make any citation to the rat hat irrelevant.

i. There Is No Competent Evidence That Any Carolina Rat Hat Bore Any SC Logo After 1899.

As noted in California's opening brief, Carolina appears to rely principally on the testimony of its university archivist in connection with the rat hat. [App. Br. 5 (citing TD-West 7:17-8:7).] However, as the archivist admitted, she had no personal knowledge of the rat hat. [TD-West 25:3-12.] Her entire testimony is based on documents she reviewed, which either were produced or which could have been produced in this action. [*Id.*] Since the archivist was not identified as an expert (and would not have been a proper expert in any event), her testimony is neither the best evidence of, nor competent to explain, the contents of documents in which she had no personal involvement. *U.S. v. Hart*, 295 F.3d 451, 456 (5th

Cir. 2002); *FDIC v. Houde*, 90 F.3d 600, 606 (1st Cir. 1996) (striking testimony of custodian of records because he had no personal knowledge of document contents); *In re Sharon Steel Corp.*, 198 B.R. 138, 139 (W.D. Pa 1996) (rejecting testimony about documents that could have been provided and were not).

The actual documents tell a different story than Carolina's university archivist. Applicant's Exhibit 90 is an illustrated history of the University of South Carolina, and it contains a picture of the 1899 rat hat bearing the letters SC around a palmetto tree. [A-Ex. 90.6; *see also* A-Ex. 214.1 (picture of same hat "worn at S.C. College, fall of 1899").] While Carolina's archivist concluded that this exact same form of rat hat was worn continuously from the late 1800s to the early 1960s, Applicant's Exhibit 90 does not support that conclusion, making only the following statement about the 1899 hat:

The [Carolina] University Archives has a well worn [rat hat] from 1899 **which is not so different** from ones sported by [freshmen] in the 1950s.

[A-Ex. 90.8 (emphasis added).] This language reflects the fact that the 1950s versions of the rat hat were different in at least some ways from the 1899 hat. The evidence also strongly suggests that any rat hats in the intervening periods were very different from both the 1899 and the 1950s versions since the author believed only the 1950s hats were somewhat similar to the 1899 hat.

Moreover, to the extent that Carolina is relying on this language to suggest that the 1950s rat hats necessarily bore an SC logo, this is nothing more than speculation. The fact that an *Illustrated History of the University of South Carolina* describes the 1950s hats as "not so different" could merely mean that the hats were "beanie" shaped in the 1950s like the 1899 hat. Even if it refers to the logo, it could mean that the 1950s hats bore a palmetto tree. Since Carolina has control of its own archives and could have produced any documentation of rat hats in the 1950s if those hats supported its case, the citation to this very ambiguous statement as evidence of use of an SC logo in the 1950s is yet another attempt to gloss over the inconvenient realities. *Interstate Circuit, Inc. v. U.S.*, 306 U.S. 208, 226, 40 UQPQ 299, 304 (1939) (using weak evidence in place of strong results in "the conclusion that the strong would have been adverse."); *McMahan & Co. v. Po Folks, Inc.*, 206 F.3d 627, 632-33 (6th Cir. 2000) (adverse inference from failure to introduce specific evidence in party's own control).

To the extent that Carolina is effectively trying to claim a first use date earlier than the application, it must provide clear and convincing evidence of prior use sufficient to claim such a date. *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1472, 1 USPQ2d 1772, 1773 (Fed. Cir. 1987). What is more, a short period of use (such as 1898 alone) without more is a *de minimis* use which could not qualify to grant any rights. *Planetary Motion Inc. v. Techsplosion Inc.*, 261 F.3d 1188, 1196, 59 USPQ2D 1894, 1899 (11th Cir. 2001) (“In general, uses that are *de minimis* may not establish trademark ownership rights.”). Together, these two principles require Carolina to show clear and convincing evidence that it used SC as a logo on the rat hat in a material way. It has failed to do so.

ii. The Rat Hat Is Not a “Product.”

Even Carolina admits that the rat hat was only given to Carolina’s own freshmen students. [TD-West 27:7-15.] Carolina’s archivist testified that the hats would never have been sold to any party, much less anyone outside of Carolina’s own student body. [*Id.*] There is no evidence that the hats were ever advertised to any party. The rat hats are effectively nothing more than a school uniform worn by Carolina’s students, which is no different than a football uniform.

As such, despite Carolina’s claim to priority in the merchandizing field for SC, the rat hat is not evidence of first use of SC in connection with collegiate clothing. *See Pasty’s Brand, Inc. v. I.O.B. Reality, Inc.*, 317 F.3d 209, 217, 65 USPQ2d 1442, 1447 (2d Cir. 2003) (while arguably related, use of PATSY’S name on Italian restaurants not equivalent to use on prepared pasta sauce product). It is instead – at most – one data point in the dispute (discussed below) about the extent and duration during which Carolina ever used any SC logo to identify itself as an institution. Because the evidence on actual rat hat logos is limited to the 1899 hat, the only relevance of the Carolina rat hat is that Carolina used a palmetto tree/SC logo to identify its freshmen in 1899 when Carolina was known as “S.C. College.” [A-Ex. 214.1 (noting specifically that the 1899 rat hat came from “S.C. College.”)]

iii. Even Carolina Does Not Claim to Have Used the Rat Hat after the Early 1960s.

Finally, even if the Board were to credit the conclusory, self-serving, and incompetent testimony of Carolina’s archivist, that testimony is clear that the rat hat was discontinued no later than the early

“1960s”. [TD-West 26:13-20; *see* App. Br. 5.] As such, any rights that Carolina may have accrued in connection with the rat hat (whether trademark rights or service mark rights) would have disappeared during the period between 1965 and 1997. 15 U.S.C. § 1127; *General Healthcare, Ltd. v. Quashat*, 364 F.3d 332, 338, 70 USPQ2d 1566, 1569 (1st Cir. 2004) (abandonment after three years of non-use terminated any existing trademark rights). Abandonment of a mark cannot be reversed by subsequent re-adoption of a mark. *Stromgren Supports Inc. v. Bike Athletic Co.*, 43 USPQ2d 1100, 1112 (TTAB 1997) (subsequent use of an abandoned mark was new and separate use which could not cure abandonment); *Parfums Nautee Ltd. v. American Int’l Indus.*, 22 USPQ2d 1306, 1310 (TTAB 1992).

b. California Established Consistent Use of Various Forms of Its SC Mark on Products For the Public Dating Back At Least To 1976.

Carolina does not dispute that California has used SC in connection with collegiate merchandise at least since 1976, although Carolina does attempt to confuse the issues by contending that there are no SC-branded products in the 1984 California bookstore catalog and no SC-branded headwear or clothing in either the 1984 or 1985 catalog. [App. Br. 13 (citing A-Exs. 397 and 398).] Carolina implies that California somehow abandoned the mark. Carolina’s argument is both factually and legally meritless.

Factually, Carolina’s citation to A-Ex. 397 is misleading because A-397 was a small and specialized catalog focused entirely on the 1984 Olympics in Los Angeles rather than the standard California bookstore catalog for the 1984-1985 school year. [See generally A-Ex. 397 (6-page 1984 “Olympic Village” catalog.); cf A-Exs. 392-396, 399-401 (typical California catalogs of 16 to 32 pages).]

Carolina’s standard bookstore catalog for the 1984-85 academic year is A-Ex. 398, which (contrary to Carolina’s statement) does specifically show California selling SC-branded clothing in that period. While the bookstore catalogs represent only a sampling of available products, the 1984-85 catalog shows a SC Baseball Interlock hat as item 4D and men’s tube socks with an interlocking SC logo similar to the California Athletic SC Interlock as item 2L. [TD-Stimmler 24:11-25:9; A-Exs. 398.2,5.]

Moreover, for the second half of 1985, the Board also may look to the California bookstore catalog for 1985-86 academic year. [A-Ex. 399.] While Carolina’s chart at App. Br. 13 claims only one SC-branded product in A-Ex. 399, Carolina once again misstates the evidence on California’s use of SC.

The 1985-86 catalog contains at least two SC-branded products in that catalog: Item 3G is a baseball cap with an SC patch design and Item 9B is a letterman's cardigan with a block SC design. [A-Exs. 399.3, 399.13.] The catalogs present indisputable evidence that California sold SC apparel in 1984 and 1985.

In addition, the entire argument is legally irrelevant. As the Board is undoubtedly aware, Lanham Act § 45 requires evidence of at least three years of non-use before any presumption of abandonment were to occur. 15 U.S.C. § 1127. Even if Carolina were right about the facts (and it is not), the alleged facts would not rise to the level required to show a presumption of abandonment. In other words, even if California *had* gone two consecutive annual catalogs without showing an SC-branded product (and it did not), the evidence does not undercut California's priority.¹

c. California's Use of SC Is Not *De Minimis*.

Carolina also argues that California uses other marks such as "USC" and "TROJANS" more than it uses "SC." [App. Br. 11-14.] Carolina particularly suggests that California's use of SC is *de minimis* because printouts of portions of three websites show only a small portion of SC-branded clothing. [*Id.* 13-14 (citing A-Exs. 59, 62, 69).] Carolina's argument is again both factually and legally baseless.

Factually, Carolina's citation to any of Applicant's Exhibits 59-71 is inapposite because there is no evidence that these websites accurately reflect the total mix of California's goods. In fact, some were selected because those sites had previously confused marks of the two parties. [*Compare* stores in O-Exs. 4, 6-13 with stores in A-Exs. 67, 70-71.] Those may be the websites *least* familiar with the California's goods and the least reliable reflections of California's offerings. By contrast, within the rest of the range of exhibits cited by Carolina, there is substantial evidence of SC-branded products.² In addition, the

¹ Carolina's factually-erroneous argument is also irrelevant because Carolina's first use of the "SC" mark on products is no earlier than 1997 (and it abandoned any other rights between 1974 and 1991). As such, even if California somehow were to have lost rights during an alleged gap ending in 1986, California's use after 1986 would *still* give California priority.

² A-Exs. 60.8 (2 of 8 hats bear SC mark), 61.7 (1 of 3 sweatshirts), 63.8 (2 of 8 hats), 64.10 (same), 65.1 (SC mark identifies California in list of schools), 65.13 (2 of the first 4 hats plus lapel pin bear SC mark), 65.17 (only visor bears SC mark), 65.24 (two of six t-shirts), 65.25 (1 of 6 shirts), 66.7 (1 of 4 hats), 66.15 (scrub top), 67.8 (2 of 8 hats).

printouts from California's own website shows that California sells numerous SC-branded goods. [See, e.g., A-Ex. 383.7-383.8 (California's website shows 12 SC hats among 19 total hats.).]

This evidence hardly suggests *de minimis* use, particularly in light of all of the *other* evidence showing California's significant use of SC. California's witnesses testified that, in the last fiscal year, the SC mark was used on more than \$3.5 million dollars worth of goods sold under the Team Trojan line of clothing and other collegiate products. [TD-Stimmler 18:18-19:2, 19:9-23 and O-Ex. 17.] California's witnesses also testified that the SC logo is used on approximately half of all of California's licensed goods. [TD-Kennedy 36:9-37:3.] Since California's marks were used on more than **REDACTED** worth of clothing and other licensed collegiate products in the last fiscal year, retail sales of California's SC-branded products **REDACTED** [O-Ex. 2; TD-Kennedy 28:14-16, 30:2-31:2.]

Although Carolina refers to some of California's old bookstore catalogs in arguing that the 50% estimate is implausible, Carolina ignores the fact that many of California's bookstore catalogs *do* show that the SC mark is a significant percentage of various product categories. See, e.g., A-Exs. 394.16 (two-thirds of caps and visors bear SC mark), 395.21 (two-thirds of caps bear SC mark); O-Exs. 41.8 (two of seven caps bear SC logo). Carolina also ignores the other website evidence showing California's sale of SC products. [See, e.g., O-Ex. 225 (numerous California watches, hats, earrings, and pennants bearing SC mark); O-Ex. 228.1 (12% of California's hats on Lids website bearing SC mark); O-Ex. 232.1 (3 of 8 California caps bear SC mark); see generally O-Exs. 226-227, 229-230, 232-236 (various websites offering California's SC-branded hats and other collegiate apparel).] Even if not exactly 50% of all products, the facts show significant use of California's SC mark on collegiate apparel.

Carolina's argument fares no better from a legal perspective. First, since California has two separate registrations for its SC mark in connection with collegiate clothing and collegiate goods, California is entitled to a presumption of validity. Carolina has neither pled nor proven abandonment (and could not so prove). Even if California did use other marks more than SC, it would not vitiate the current, valid and (in one case) incontestable registrations.

Moreover, Carolina's argument that California uses other marks more than SC essentially amounts to an argument that a person or entity can have protection only for the single most-used mark. This is patently ludicrous. Carolina's argument would mean that McDonald's could only protect its MCDONALD'S® mark, but not its BIG MAC® mark, its RONALD MCDONALD® mark, or its MCD'S® mark. It is certainly true that California is known by other names including "USC" and "TROJANS."³ As Carolina noted, California's own internal trademark study found that "USC" was frequently preferred to "SC" for the institution as a whole rather than just the athletic program. [A-Ex. 405.10.] Nevertheless, as that study also reflects, California is known by both "USC" and "SC" and the SC mark is particularly associated with California's highly successful athletics program. [A-Ex. 405.5 (California "makes use of both 'USC' and 'SC'"); 405.10 (SC particularly reflects "the athletic department and its programs")]. Carolina cites no authority holding that use of more than one mark denies protection for lesser marks, and so it is irrelevant whether the USC mark is used less than, equal to, or more often than the SC mark.⁴ California has rights in SC from both common law and registration.

d. California's Use of SC Is Not Descriptive.

Carolina argues that SC is an abbreviation for the University of Southern California and that this is similar to the descriptive manner in which other third parties such as the state of South Carolina use the

³ Carolina notes that virtually all of the press articles submitted by USC use "TROJANS" and "USC" in addition to "SC." As discussed in the text, this is legally irrelevant since a mark is entitled to protection even if the owner also has other marks. In addition, most of these articles were drawn from the NEXIS news library. The Board may reasonably assume that the articles were *located* by looking for "TROJANS" and/or "USC" in connection with "SC" because "SC" by itself would include every article with a dateline or reference to any location anywhere in the state of South Carolina. The fact that "USC" and/or "TROJANS" appears in the selected articles is at least as much a result of search methodology as any reflection on the respective use of the various marks.

⁴ Carolina's argument may be a response to California's observation that Carolina is principally known by "Carolina," "Gamecocks," "USC" and its "Block C" logo. However, California's point was that Carolina has other established marks besides SC that it has consistently used over almost a century. There was no need for Carolina in 1997 to resurrect a long-abandoned logo and interject the logo into both national collegiate athletics and the national marketplace for collegiate goods.

mark. [App. Br. 35.] Although the state of South Carolina's use of SC may be descriptive, both the law of trademarks and governing Supreme Court precedent make clear that California's use of SC is not.

Carolina cites *Modern Optics* for its argument that initials are descriptive if they are understood to represent underlying words [App. Br. 35], but *Modern Optics* actually stands for a much different and narrower proposition: a set of initials will *only* be descriptive if the initials are generally understood to reflect a descriptive phrase so that the initials are really nothing more than another form of the descriptive phrase. *Modern Optics v. Univis Lens Co.*, 234 F.2d 504, 506, 110 USPQ 293, 295 (CCPA 1956). While California does not concede that the consuming public thinks of SC as an abbreviation for the University of Southern California anymore than NCR® is necessarily perceived as an abbreviation for National Cash Register, the issue is irrelevant since that fact would not make SC any less protectable than IBM® or CBS®. This Board and the Federal Circuit have regularly upheld oppositions when an applicant's mark would conflict with a registrant's prior registered initials. *See, e.g., HRL Assocs., Inc. v. Weiss Assocs., Inc.*, 12 USPQ2d 1819, 1824 (TTAB 1989), *aff'd*, 902 F.2d 1546, 14 USPQ2d 1840 (Fed. Cir. 1990).

In addition, as a matter of law, California's incontestable registration for SC means that it is conclusively presumed either to be not descriptive or to have secondary meaning. *Park N' Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 205, 224 USQP 327, 334 (1985). As a result, California clearly has valid trademark rights in SC for collegiate products in general and collegiate apparel in specific, and those trademark rights significantly predate Carolina's 1997 re-adoption of an abandoned SC logo.

2. If It Is Relevant, California Also Has Clear Priority Over Carolina For Use In Connection with Intercollegiate Athletics.

a. Carolina's Alleged First Use For Educational and Intercollegiate Athletics Is Not Relevant Given California's Undisputed Use of SC For At Least a Century as Its Principal Athletic Mark.

In its opening brief, California demonstrated that it has used forms of SC consistently since 1898 as its principal athletic mark. Carolina disputes this, contending that the evidence only shows use from 1906. [App. Br. 10.] Although the difference is without relevance given (a) California's undisputed use since at least 1906 and (b) given Carolina's *de minimis* use during the period before 1906 when it was "South Carolina College" and its repeated abandonment thereafter, there are at least three exhibits which

show that California used SC as a primary identifying mark before 1906: California's 1898 yearbook showing an early SC logo as the "University Monogram," a 1904 picture of a California football player wearing the same early SC logo, and a 1905 picture of the California band with a representation of the Baseball Interlock form of SC. [O-Exs. 20.2, 79.2, 80.2.] Carolina overlooks the last altogether, and while it tries to dismiss the first two as looking more like a "CS" logo, it is clear in the context of the University of Southern California that it must have been perceived as an "SC" logo. Together, these establish California's common law rights in SC for educational and athletic services back to 1898.

In addition, Carolina's concession that California's use of SC for educational and athletic services dates back at least to at least 1906 means that it would not help Carolina even if Carolina *were* the senior user for such services. The Second Circuit addressed exactly this issue in the *Patsy's* case:

Where, as here, the senior user has tolerated for decades the junior user's competition in the *same* market with a name similar to that of the senior user, the justification for preserving for the senior user . . . its name in a related field vanishes entirely. In such circumstances, protection for use of the [name] in the related field belongs to the first entrant into that field.

Patsy's Brand, Inc. v. I.O.B. Reality, Inc., 317 F.3d 209, 217, 65 USPQ2d 1442, 1447 (2d Cir. 2003) (emphasis added). The *Patsy's* case involved two Italian restaurants that had co-existed in New York City using PATSY'S as a common mark. *Id.*, 317 F.3d at 212, 65 USPQ2d at 1444. The junior user for restaurants then entered the market for jars of pasta sauce and registered a PATSY's mark for sales of prepared sauce. *Id.*, 317 F.3d at 213, 65 USPQ2d at 1444. When the senior user for restaurants followed into the prepared sauce market, the junior user ultimately filed litigation. *Id.*, 317 F.3d at 214, 65 USPQ2d at 1445. The defendant argued that, as the senior user for restaurants, it was entitled to priority in the related field. *Id.*, 317 F.3d at 215, 65 USPQ2d at 1447. While the district court and the Second Circuit accepted that the defendant was a senior user in a related field, both held that defendant had lost any right to priority in the separate product field because it had allowed the junior user to use a similar name for the underlying restaurant services for decades. *Id.*, 317 F.3d at 217, 65 USPQ2d at 1447-48.

As discussed below, California denies that Carolina can identify any valid date before 1992 as a first use date on services because Carolina abandoned any pre-1992 rights. However, even if Carolina did

have priority for academic or athletic services dating back to before 1906 (or 1898), Carolina's failure to object over the course of virtually a century to California's use in that field would leave Carolina without any superior rights in the related products field. *Patsy's*, 317 F.3d at 217, 65 USPQ2d at 1447-48. As California is indisputably the first to apply the SC mark in the sales of collegiate clothing, the *Patsy's* rule establishes that California prevails regardless of Carolina's alleged priority for related services.

b. California Has Shown Consistent Use of the Baseball Interlock Form of Its SC Mark Since At Least 1958.

In its opening brief, Carolina contends that California has not shown any use of the California Baseball Interlock form of the SC mark in connection with California's baseball team "until, at earliest, 1967." [App. Br. 11.] Carolina is flatly wrong.

California submitted and cited in its opening brief Opposer's Exhibit 114, which is an excerpt from the 1958 edition of California's El Rodeo yearbook. [O-Ex. 114.2.] The cover of the "Baseball" section of that yearbook shows the coach and all of the California players wearing California's Baseball Interlock version of its SC mark. [O-Ex. 114.6.] This is contemporaneous evidence that explicitly demonstrates beyond question that California had adopted the Baseball Interlock no later than 1958. [*Id.*; see also O-Ex. 117.2 (picture of 1960-62 player Marcel Lachemann wearing Baseball Interlock hat).] Since California won the second of its 12 national championships in 1958, California's baseball teams have born the Baseball Interlock form of the SC mark during at least 11 of those 12 championships.

c. California Has Shown Three Separate Periods of Abandonment by Carolina Including the Period from 1974 to 1991.

As noted in the Introduction, California has presented affirmative evidence that, during three separate periods of more than a decade each, Carolina was using other insignia in place of any form of the SC mark to identify itself as an institution.

i. California Established Its Prima Facie Case For Abandonment.

Carolina first attempts to avoid the clear evidence of its own yearbooks by suggesting that the yearbooks are not the exclusive evidence of Carolina's conduct during those periods. [App. Br. 5 n.2.] However, the Federal Circuit has made it clear that sufficient evidence of non-use is enough to support a prima facie showing since it is otherwise an "insurmountable task" to prove a negative. *Cerveceria*

Centroamericana S.A. v. Cerveceria India, Inc., 892 F.2d 1021, 1024, 13 USPQ2d 1307, 1310 (Fed. Cir. 1989). If Carolina is suggesting that California should submit to this Board every piece of paper documenting any Carolina insignia created during more than forty years, the suggestion is ludicrous. *Id.* The yearbooks provide an indisputable record of the marks that were – and were not – used by Carolina during those periods and the Board can properly infer non-use from that record.⁵ *Id.*

ii. Carolina Failed Its Burden to Produce Contrary Evidence.

Once a party has presented a prima facie case from which the Board can infer non-use, the burden then shifts back to the other party to produce evidence of either (a) actual use notwithstanding the prima facie case or (b) a clear intent to resume use manifested during the period of non-use. *Cerveceria Centroamericana*, 892 F.2d at 1025, 13 USPQ2d at 1311. Given the mandatory presumption of intent not to use that arises from three years of non-use, a party who asserts an intention to resume use must present more than a bald assertion of an alleged intent to resume use. *Rivard v. Linville*, 133 F.3d 1446, 1448-49, 45 USPQ2D 1374, 1376 (Fed. Cir. 1998); *Emergency One, Inc. v. American FireEagle, Ltd.*, 228 F.3d 531, 536, 56 USPQ2d 1343, 1347 (4th Cir. 2000). Since every party faced with abandonment asserts that he intended to resume use, a party bearing the burden of production must submit contemporaneous evidence showing intention to resume use. *Rivard*, 133 F.3d at 1449, 45 USPQ2d at 1376; *Imperial Tobacco Ltd. v. Philip Morris, Inc.*, 899 F.2d 1575, 1582, 14 USPQ2d 1390, 1395 (Fed. Cir. 1990).

As noted in the Introduction, Carolina attempts to gloss over its abandonment by asserting generally that it has documented uses of SC in every decade except the decade 1910-1919. [App. Br. 6.] However, § 45 of the Lanham Act does not require that a party show some use in each decade. A party who is accused of abandoning between 1981 and 1999 cannot simply show "use in the 1980s and 1990s." Rather, in the face of evidence of abandonment, § 45 requires the party must submit evidence showing actual use or intent to use without leaving any gap of three years or longer. 15 U.S.C. § 1127.

⁵ Although California's prima facie case is strong regardless of the standard applied, the Board should note that Carolina does not have any registration for any SC mark and consequently does not enjoy the presumption of validity that typically exists in a cancellation proceeding.

First Period of Non-Use: 1906-1921. While Carolina cites certain evidence of use from the decade 1900-1910 (which California contends is *de minimis*), none of that evidence is from the period after 1906 when Carolina changed its name from “South Carolina College” to the “University of South Carolina.” [App. Br. 6, citing A-Exs. 90.7 (1902), 110 (1900), 111 (1900), 112-14 (1901), 115-18 (1902), 119-20 (1903), 121 (1904).] Carolina does not even try to present evidence from 1910-1919, and although Carolina cites evidence from the decade 1920-1929 (which California contends is *de minimis*), the first such evidence is from 1922. [A-Ex. 148.]

As a result, there is a clear period from 1906 to 1921 where Carolina has failed to meet its burden of production. To the extent that Carolina may have had any prior rights arising from use of any “SC” mark to identify itself as an institution before 1906, such rights were lost between 1906 and 1921.

Second Period of Non-Use: 1931-1948. For the decade 1930-1939, Carolina cites eight exhibits it contends show use of SC to identify itself as an institution. [Ap. Br. 6, citing A-Exs. 90.5, 125, 444-49.]

However, as noted in California’s opening brief, none of these actually suffice to show any effort by Carolina to use the “SC” mark to identify itself as an institution, much less any material effort to do so. [California Opening Brief at 22-24.]⁶ Despite California’s express explanation for why these photographs are irrelevant, Carolina simply cites them without addressing their relevance.

⁶ Four of the exhibits deal with “USC” (or “U. of S.C.”) rather than “SC” as the mark. [A-Exs. 445, 447-49.] Two are nothing more than photographs of a South Carolina state historical marker, which reflected the use by the *state* of South Carolina as “SC” on civic projects. [A-Exs. 90.5, 449.] The SC logo on the historical marker for the University of South Carolina is the same SC logo that the state used on *all* historical markers throughout South Carolina and that logo did not designate a good or service coming from the University of South Carolina. [StipFact ¶ 104, A-Ex. 97.2.] Two of the other exhibits are actually duplicates, reflecting one photograph of the freshman baseball squad from 1930. [A-Ex. 125/444.] Not only does this predate the abandonment period identified by California, but it is merely one of the old “moth-eaten, clay stiffened, sweat rotted uniforms” left over for the freshman squad. [A-Ex. 125/444.] Although worn by a freshman in 1930, the uniform dates back to 1925 and does not reflect any intention by Carolina to identify itself with that logo in 1930.

The final exhibit combines two pages from the 1935 yearbook, with one page including an old photo of a 1898 football team and a separate page containing an artist’s rendition of a future football stadium. [A-Ex. 446.] It is difficult to discern whether any member of the 1898 team is wearing any logo at all, but even if one or more members of the 1898 team wore “SC,” it would not demonstrate any effort or intention by Carolina to continue to use that mark more than thirty-five years later. [A-

[Footnote continued on next page]

For the decade 1940-1949, Carolina cites an additional five pieces of evidence. [App. Br. 6 citing A-Exs. 126, 450-53.] Of these five, one comes from 1949 and is therefore *after* the identified period of abandonment. [A-Ex. 126.] Again, California expressly explained in its opening brief why the remaining four would not qualify as trademark uses (or any indication that Carolina intended to use “SC” as a mark in the future) and again, Carolina ignores this explanation and simply hopes that the existence of the letters “SC” in those yearbooks will distract the Board. [California’s Opening Brief 22-24.]⁷

Third Period of Non-Use: 1974-1991. For the decade 1970-1979, Carolina cites six pieces of evidence. [App. Br. 6 citing A-Exs. 141, 143-44, 450-53.] Of these, four are from 1970 to 1973, which is before the gap period identified by California. [A-Exs. 141 (1970), 143 (1971), 144 (1973), 454 (1973).] Obviously those citations do not meet Carolina’s burden of proving use during the 1974-1991 period.

The remaining two citations from the 1970s are no more helpful for Carolina. One is merely another picture of the South Carolina state historical marker. [A-Ex. 455.] The second reflects a single student engaged in karate, with the words “Univ. of S.C.” on his back. [A-Ex. 456.] Neither photograph demonstrates any effort by the University of South Carolina to use SC to identify its goods and services.

For the decade 1980-1989, Carolina cites only two pieces of evidence. [App. Br. 6 citing A-Exs. 457-58.] They date from the 1980 and 1981 yearbooks and both are crowd photographs in which one

[Footnote continued from previous page]

Ex. 446.3.] The artist’s rendition at least does clearly use the letters “SC,” but there is nothing in that single rendition which suggests that the University of South Carolina as an institution approved those letters, adopted those letters, or used those letters to refer to itself in commerce. [A-Ex. 446.2]

- ⁷ Two of the remaining citations are to single individuals wearing “S.C.A.A.” shirts. [A-Exs. 451-452.] It is not clear *what* entity or organization S.C.A.A. refers to, much less whether that entity was part of the University of South Carolina. It could just as easily have been a statewide association for collegiate athletes, high-school athletes, or amateur athletics. The fact that these shirts are only found on a single individual in each photo suggests that S.C.A.A. was not a Carolina team uniform or any other identifier that Carolina used to identify its own services. Finally, even if S.C.A.A. were an entity sponsored or endorsed by the University of South Carolina, the “S.C.A.A.” mark is not the same as the SC mark in dispute in this case.

The last two exhibits from Carolina in 1940-1949 decade are a yearbook cover reflecting “U. of S.C.” and another copy of the state historical marker. As discussed above, neither of these shows any effort by Carolina to use any SC mark to identify its own goods and services. In short, Carolina has failed to produce any evidence from the 1931-1949 period to rebut the *prima facie* case of abandonment.

member of the crowd may be wearing an “SC” hat. [A-Exs. 457 (1980; hat could be “BC” or “USC”), 458 (1981).] As discussed in California’s opening brief (and ignored by Carolina), these crowd photographs do not show any effort by the University of South Carolina to identify itself with any SC mark. There is no evidence as to the source of either hat. Even if these hats originally came from the University of South Carolina (which is mere speculation), the hats may have been sold before 1974 when Carolina was making *some* use of the mark. Certainly, in contrast to the unambiguous evidence from the yearbooks about team uniforms and logos during those years, there is no evidence that Carolina as an institution was using any “SC” mark in 1980 or 1981.

Finally, even if this evidence did somehow meet Carolina’s burden for the period between 1974 and 1981 (and it does not), Carolina has produced no evidence at all for the period between 1982 and 1991. This nine-year period would be three times the period required to establish the presumption of abandonment. 15 U.S.C. § 1127. *Cerveceria Centroamericana*, 892 F.2d at 1027-28, 13 USPQ2d at 1313 (more than two consecutive years of non-use established abandonment even if there were subsequent efforts during the alleged longer gap period).

Carolina has control of both its yearbooks and also its entire university archives. [TD-West 53:7-54:1.] These archives no doubt include Carolina student newspapers and other documentary evidence of Carolina’s use of various logos and marks during these periods. There is no reason that Carolina could not have produced any helpful evidence if it existed. [*Id.*] Carolina’s failure to produce any evidence in response to California’s prima facie case reflects Carolina’s abandonment of any pre-1974 rights.

A party like Carolina loses any trademark rights it may have had once it abandons a mark as shown by three successive years of non-use without any evidence of intent to resume. 15 U.S.C. § 1127; *General Healthcare, Ltd. v. Quashat*, 364 F.3d 332, 338 (1st Cir. 2004) (abandonment after three years of non-use terminated any existing trademark rights). Abandonment of a mark cannot be reversed by subsequent re-adoption of a mark. *Stromgren Supports Inc. v. Bike Athletic Co.*, 43 USPQ2d 1100, 1112 (TTAB 1997). To the extent that Carolina in 1997 resurrected a 1950s-era mark that was not used in the intervening years, such a resurrection is no different than beginning with a new mark in 1997.

3. Even If California Were the Junior User (and It Is Not), California Would Still Have Priority By Virtue of Its Incontestable Registration.

a. Carolina Did Not (and Could Not) Dispute the Fact That An Incontestable Registration Gives the Registrant Priority.

In its opening brief, California noted that an incontestable registration will defeat an application even if the applicant turns out to be the senior common law user. *Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 735-36, 23 USPQ2d 1701, 1704 (Fed. Cir. 1992). Carolina did not (and could not) dispute this. Rather, Carolina attempts to argue that California's incontestable registrations in Classes 6, 18, and 24 for “keyrings of non-precious metals; decorative emblems or plates of non-precious metal, for attachment to autos; art work statuary of non-precious metals, umbrellas, hand luggage, tote bags, luggage; namely, tote bags, hand luggage, garment bags for travel, and small traveling bags for overnight trips, fanny packs, toiletry bags sold empty, briefcases, back packs, towels, blankets, cloth pennants, and cloth flags” are not sufficiently similar to Carolina’s proposed application for collegiate clothing to create a conflict.

b. California’s Channels of Trade for Its Collegiate Goods In Class 6, Class 18 and Class 24 Are Not Limited to California’s Bookstores.

Carolina’s first argument relating to California’s incontestable registration focuses on the fact that the incontestable registration for goods in Classes 6, 18, and 24 applies only to goods in “university authorized” channels of trade. Carolina attempts to read this language as though it applies only to California’s own bookstores and merchandise catalogs. However, Carolina’s interpretation conflicts with both the text of the registration and with the testimony from both California's *and* Carolina’s witnesses.

i. The Registration Itself Distinguishes Between “University Authorized Channels of Trade” and “University Owned Outlets.”

The file history of California’s incontestable ‘953 registration for SC in typed form reflects the fact that California proposed the limitation to “university authorized channels of trade” in order to avoid a conflict with a pre-existing registration for an SC logo on knit shirts. [A-Exs. 169.43-47, 169.58-64.] While the examiner accepted that restriction for Classes 6, 18, and 24, the examiner believed that Class 25 required a still more restrictive limitation. [A-Ex. 169.42.] California and the examiner agreed that the

additional affirmative benefits provided by California's registration in Class 25 would extend only to rights deriving from California's sales in "university controlled" channels of trade. [*Id.*]

Carolina attempts to treat the broader language relating to Classes 6, 18 and 24 as though it were identical to the narrower language for Class 25. This ignores the fact that both California and the examiner understood that the additional language was designed to identify a materially narrower channel of trade. The face of the registration itself shows that the "university authorized" channels of trade are different from "university controlled outlets." *See generally Taracorp, Inc. v. NL Indus., Inc.*, 73 F.3d 738, 744 (11th Cir. 1996) (different wording in contracts means different intention); *Karlin Techn. Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971-72 (Fed. Cir. 1999) (different words in different patent claims have different meanings).

ii. Both California and Carolina Have Testified that They Specifically Authorize The Channels of Trade At Issue Here.

California's Director of Trademarks and Licensing specifically testified that part of California's licensing process is an evaluation of the proposed channels of trade through whom the licensee intends to sell licensed products. [TD-Kennedy 21:15-22, 24:15-26:4, 40:12-15; *see also id.* 9:5-16, 10:11-13 (California's bookstore only one retail channel to whom licensees sell goods), 40:23-41:1; *see generally id.* 12:9-14.1 (describing licensing process).] California will not approve licensees who intend to sell through unauthorized channels of trade. [*Id.*] The fact that California approves licensees who will in turn sell to mass markets like JCPenney, Wal-Mart, Sports Authority, Finish Line, etc. demonstrates that those channels are "university approved" channels of trade.

Likewise, Carolina's Licensing Director testified that the Carolina licensing process also involves an evaluation of the proposed channels of trade. He specifically testified that department stores, sports specialty stores, and discount stores are channels of trade authorized by the University of South Carolina. [DD-Corbett 82:11-83:3 at O-Ex. 252.22-23.] Not only does this demonstrate that Carolina likewise considers these general categories to be "university authorized" channels of trade, but since both California and Carolina share numerous licensees for *other* collegiate merchandise and since the licensees are the ones who actually sell to the retailers, the Board can reasonably presume that California's goods

are being sold through the same wide range of channels of goods authorized by Carolina. [StipFact ¶¶ 37, 40-41 and Ex. A thereto; TD-Kennedy 40:23-41:1 (licensees have the relationships with retailers).]

Carolina contends that the Board must conclude that California's "authorized" channels of trade are limited to its own bookstores because there is no substantial evidence in the record that California sells its collegiate merchandise in any other channels. However, as discussed in the following section, Carolina overlooks the substantial documentary evidence in the record that California merchandise *is* sold through other channels of trade. Carolina also overlooks the specific testimony from California's licensing director that California's goods are sold "in retail stores of all sectors of the retail marketplace, including online concessions, college bookstores, mid-tier mass, premium high-end fashion boutiques, sporting goods, sporting goods specialty stores . . ." [TD-Kennedy 21:15-22; *see also id.* 21:25-24:14 (listing specific stores through whom California merchandise is sold such as JCPenney, Mervin's, Kohl's, Sears, Gottshalks, Wal-Mart, Kmart, Target, Sam's Club, Costco, Nordstrom, Footlocker, Champs Sports, Sports Authority, HatWorld, Dick's Sporting Goods, Bed Bath & Beyond, Home Depot), *see further* TD-Stimmler 35:25-37:6 (noting variety of competitors to California's own bookstores selling California branded goods).] Even Carolina's own witness confirmed that California goods are sold in a national markets generally and through Wal-Mart particularly. [TD-Walsh 84:1-5 (national market), 68:16-20 (sales through Wal-Mart).] To the extent that Carolina suggests that California should have inundated this Board with mountains of additional evidence confirming facts that were never in question, this is a straw man argument. The evidence clearly shows that "university authorized" channels of trade extend well beyond California's bookstores and cover virtually all of the channels of trade at issue in this case.

c. Consumers Would Naturally Expect Collegiate Clothing to Come From the Same Source As Other Collegiate Merchandise.

Carolina's other argument relating to California's incontestable registration focuses on the fact that a prior registration will only bar a subsequent application if the consuming public would expect the applicant's goods to come from the same source as the registrant's goods. Carolina cites authority that a mere common phrase that would apply to all goods is not sufficient, and Carolina argues that there is no

evidence that collegiate goods covered in Classes 6, 18, and 24 come from the same sources or are sold through the same channels of trade as collegiate clothing.

While California agrees that a single label is not sufficient, the cases cited by Carolina are completely inapposite. *See, e.g., Elec. Data Sys. Corp. v. EDSA Micro Corp.*, 23 USPQ2d 1460 (1992) (registration covering computer programming services for corporate data processing does not bar subsequent application for specialized software simulating electrical distribution systems sold to Chief Electrical Engineers at large companies merely because both involve “software”). In those cases, the evidence showed that the registrant did not sell the exact same goods as those reflected in the application. For example, *EDSA* involved a case where opposer did not sell software that was similar to applicant's software to simulate electrical distribution systems and would not naturally have expanded into that area. *Id.* at 1463. In this case, copious evidence shows that California sold hats, t-shirts, and shorts using the SC mark long before Carolina started doing so.

Turning more generally to the record, this is also copious evidence in the record that collegiate clothing typically comes from the same sources as other collegiate merchandise and is sold through the same channels of trade as other collegiate clothing.

In terms of single source, Carolina's own form license agreements with the Collegiate Licensing Company reflect the fact that collegiate institutions will typically license the same marks for a wide variety of collegiate goods. Each of Carolina's licensing agreements lists a number of marks to be licensed on one schedule, and separately lists a wide variety of goods to bear those marks on another schedule. [O-Exs. 284.8-12, 285.9-13, 287.7-11, 288.8-9.] These licenses are forms prepared by CLC, and reflect the general manner in which CLC does its licensing for all of its 175 collegiate clients.

Carolina's witness from CLC confirmed that the same marks are typically used for each school on general merchandise as well as clothing. [TD-Walsh 80:20-24.] While irrelevant for the purpose identified by Carolina, the numerous third-party registrations that Carolina has introduced also show that the same marks are used with clothing and with other collegiate giftware. [*See, e.g.* A-Exs. 217-220 (same Univ. of Arkansas razorback mark for clothing and gift items), 223 (same for Univ. of Arizona

logo), 224 (same for San Diego State Aztek logo), 231 (same for Creighton Univ. bird logo), 233 (same for Carolina Gamecock logo), 237 and 239 (same for Duke Devil logos), 248 (same for Ferris State Bulldog logo), 254 (same for Green Bay Packers football helmet logo), 261 (same for Univ. of Iowa Hawkeye logo), 264 (same for Kent State Golden Flash logo), 274 (same for Univ. of Maryland Terrapin logo), 277 (same for Univ. of Michigan Wolverine logo), 286 (same for Northwestern Univ. Wildcat logo), 289 (same for Univ. of Nebraska football helmet logo), 311 (same for Stanford Cardinal tree logo), 332 (same for Villanova Wildcat logo), 345 (same for Univ. of Washington Husky logo), 355; *see also The Ohio State Univ. v. Ohio Univ.*, 51 USPQ2d 1289, 1291 n.5 (TTAB 1999) (reflecting Ohio State registrations for clothing and gift items for the same marks).] As a result, the consuming public would expect that the same logos which are used on pennants, key rings, umbrellas, etc. would also be used on clothing and would expect those products to come from a single source.

Carolina is also wrong when it contends that the products are sold through different channels of trade and that collegiate clothing is somehow necessarily separate from other collegiate merchandise. [App. Br. 33-34.] Carolina is further wrong when it contends that California's collegiate gift items are sold only through California's bookstore. [App. Br. 33 n.11.] Although not within his specific instructions, the photos taken by California's investigator demonstrate numerous stores that carry both general collegiate merchandise *and* collegiate clothing. Those photos also show sales of California's SC collegiate merchandise outside of California's own bookstores. The investigator's "proof sheet" of all of his photographs reflects collegiate apparel and other collegiate goods like pennants and mugs in stores from Finish Line and Pro Image to Sports Moments & Memories, Fantastic Fanz, Tailgater's Alley, and Field of Dreams. [See generally O-Ex. 328.6 [proof sheet] at DSCN1871-75 (Finish Line store carrying hats and "mini helmets"), 328.11 at DSCN2061-73 (Sports Moments & Memories store carrying hats, t-shirts, mugs, and pennants), 328.12 at DSCN2082-88 (Tailgater's Alley store carrying hats, sweatshirts, and California's SC-branded pennants), *id* at DSCN2090-2097 (Sports Moments & Memories store carrying hats, t-shirts, and California's SC-branded trashcans), *id* at DSCN2108-12 (Fanatic Fanz store carrying hats, mugs, and collegiate bottle-openers), 328.15 at DSCN2192-2198 (Field of Dreams store

carrying California's SC-branded hats and pennants), 328.15-16 at DSCN2220-32 (Pro Image store carrying SC-branded mugs, pennants, hats, and clothing).] Documentary evidence from websites of various brick and mortar stores tells the same story, as does the documentary evidence from web-only retailers. *See, e.g.*, O-Ex. 225 (Sportmart website showing California's SC-branded hats sold with California's SC-branded pennants, watches and earrings); O-Ex. 229 (Finish Line website showing California's SC-branded jacket sold with California's "freestyle football"); A-Ex. 60.8 (Sport Chalet Website listing various categories of California's collegiate products on left side including various forms of apparel, "jewelry," "home furnishings," "bedding," "tailgating," "collectables," etc.); O-Ex. 235 (Football Fanatics website showing California's SC shirt sold with California's SC lapel pin and SC money clip); *see also* A-Exs. 71.1 (Sports Authority website listing various categories of Carolina's collegiate products on left side including various forms of apparel, "jewelry," "home furnishings," "bedding," "tailgating," "collectables," etc.), 71.4 (Dick's Sporting Goods site listing same.)]

In short, the evidence clearly demonstrates that the consuming public would expect collegiate apparel bearing certain marks to come from the same sources (and through many of the same channels of trade) as other collegiate goods like pennants, key rings, backpacks, shot glasses, etc. If the consuming public would consider the applicant's type of goods to come from the same source as the prior registrant's type of goods, this establishes the basis for a likelihood of confusion. *E. Remy Martin & Co. v. Shaw-Ross Int'l Imports Inc.*, 756 F.2d 1525, 1530, 225 USPQ 1131, 1134 (11th Cir. 1985). As a result, even if the Board ignores California's incontestable registration for SC in typed form as to clothing in Class 25, California's incontestable registration for SC in typed form as to Classes 6, 18, and 24 would provide California with indisputable priority.

B. The *DuPont* Factors Overwhelmingly Favor Opposer.

1. The Marks At Issue Are Either Identical or Virtually Identical.

The first *DuPont* factor addresses the similarity of the marks. Carolina does not (and could not) deny that the marks are either identical or virtually identical.

Rather, Carolina argues that California's rights are allegedly "gutted" by its consent agreements with Spelman College for a design mark and its consent agreements with Carolina which resulted in a concurrent use registration for the "USC" mark for educational services. [App. Br. 30.]

These arguments are not arguments about the differences between the marks, and they are properly analyzed under the sixth *DuPont* factor ("number and nature of similar marks in use on similar goods") and the tenth *DuPont* factor ("market interface between the applicant and the owner of a prior mark"). California will address each consent agreement as part of its analysis of those factors. As the Board will see when it reaches that analysis, the consent agreement with Spelman College addressed a very distinctive design mark that would not carry the same commercial impression, and it was an agreement that addressed different goods and services for a small NCAA III school. Likewise, the Board will see that the consent agreements with Carolina not only relate to a different mark but presuppose geographic separations that do not apply to this national application. As the Board is well-aware, even a consent agreement with the applicant specifically covering the mark at issue will not necessarily disprove a likelihood of confusion. *In re Donnay Int'l, Society Anonyme*, 31 USPQ2d 1953, 1955-56 (TTAB 1994). When the Board reaches the analysis on these particular consent agreements (which cover different marks and reflect different markets), it will see that they provide Carolina very little support.

For now, it is sufficient to note that Carolina has not put forth any argument about the similarity of the marks because (of course) the marks are either identical or virtually identical.

2. The Marks Are Applied on the Exact Same Goods.

Faced with the fact that California has both common law rights and an incontestable registration for hats, t-shirts, shorts and jerseys that significantly predate Carolina's 1997 first-use date, Carolina makes the novel argument that Carolina's apparel are different goods because they reflect Carolina as a source rather than California as a source.

This argument misconstrues the entire point of the second *DuPont* factor. In any trademark litigation outside of "gray market" cases, the respective goods always come from a different source. If goods from different sources counted as different types of goods, then every alleged infringer could argue that his ROOLEX watches were different goods than ROLEX watches. Carolina's suggestion that goods

from one source are different goods than goods from another source would obliterate trademark law. The second *DuPont* factor looks at the goods themselves rather than the marks on those goods.

Whether or not a junior user adopted its mark in good faith does not change this analysis. McPRETZEL creates a likelihood of confusion with the McDonald's family of food marks even if the junior user adopted McPRETZEL in good faith and without any intention to trade on McDonald's goodwill. *J & J Snack Foods Corp. v. McDonald's Corp.*, 932 F.2d 1460, 1462, 18 USPQ2d 1889, 1891 (Fed. Cir. 1991). The concern is that by selecting a mark for identical goods that is confusingly similar to the pre-existing mark, the junior user creates the risk that a customer looking for the senior user's goods may inadvertently buy the junior user's different goods. In determining whether this fact is likely, the Board looks at whether the underlying goods are closely related (or the same), because the closer the underlying goods, the more likely that a consumer might assume the product comes from the senior user rather than the junior user.

Carolina's assertion amounts to a claim that consumers are only looking for California hats, not hats in general, and so they will not buy a Carolina hat. However, by selecting a mark that is confusingly similar to California's established SC mark, Carolina has created an impermissible likelihood that a consumer looking for a California SC hat might purchase a Carolina SC hat instead. The fact that both are selling the same basic good – hats – increases the likelihood that a consumer will be confused into thinking that the Carolina SC hat comes from California. It is precisely because the consuming public is more apt to think of goods coming from a source that it knows already produces similar (or the same goods) that the second *DuPont* factor focuses on the underlying goods.

In order to justify its novel theory, Carolina attempts to argue that secondary source considerations change the standard analysis and Carolina cites two cases: *E. Remy Martin & Co. v. Shawn-Ross Int'l Imps., Inc.*, 756 F.2d 1525, 225 USPQ 1131 (11th Cir. 1983) and *Michael Caruso & Co. v. Estefan Enters.*, 994 F. Supp. 1454, 1461 (S.D. Fla. 1998). [App. Br. 33.] Carolina's citation to *E. Remy Martin* is perplexing since that case did not deal with secondary source at all. Moreover, it found that the goods at issue in that matter (cognac, brandy, and wine) were closely related despite coming from

different companies with long, separate, and legitimate histories. *E. Remy Martin*, 756 F.2d at 1530, 225 USPQ at 1134. Indeed, the appeals court in *E. Remy Martin* found it was reversible error to believe that the consuming public would separate the junior user's wine from the senior user's cognac and brandy. *Id.*

Carolina's other case does at least mention secondary source, but the facts of that district court infringement case are so inapposite as to make the case equally useless to Carolina. In *Caruso*, the plaintiff was a clothing manufacturer who owned the mark BONGO for clothing sold through apparel stores and the defendant owned a single theme restaurant called "Bongos Cuban Café." *Caruso*, 994 F. Supp. at 1457. Defendant sold souvenir clothing in its gift shop that bore the "Bongos Cuban Café" name along with three stylized logos. *Id.* On plaintiff's application for a preliminary injunction to keep the defendant from using the "Bongo" name in *any* fashion in connection with this restaurant, the district court found that there was no likelihood that either any diner in the restaurant or any purchaser in the gift shop of defendant Bongos Cuban Café would think that "Bongo's Cuban Café" was related to the BONGO line of clothing. *Id.* at 1461.

After dismissing virtually out of hand plaintiff's request to enjoin the name of the restaurant, the district court in *Caruso* turned to whether the clothing was confusingly similar. *Caruso*, 994 F. Supp. at 1461. In that context, the district court in *Caruso* theorized that defendant's shirts were perceived as souvenirs and therefore perceived differently from plaintiffs' fashion line. *Id.* While the district court did assume that souvenir apparel is a somewhat different type of good than regular apparel for the purpose of an infringement case, it did not find that *each* different souvenir source constitutes its own different type of goods. Since both California and Carolina are providing souvenir apparel, the distinction in *Caruso* would be irrelevant even if valid and applicable to a trademark application.⁸ In other words, even if

⁸ California has found no appellate authority following this district court on the idea that souvenir apparel qualifies as a different set of goods from other apparel. California has also not found *any* authority applying this concept in connection with an application to register a mark for goods without any limitations on channels of trade. If the distinction between "marks used as souvenirs" and "marks used for source" applied to trademark applications, a third party could register the "souvenir" version of a previously registered mark on the exact same goods.

consumers generally recognize the difference between souvenir t-shirts and other t-shirts, both California and Carolina are offering souvenir t-shirts. The goods are the same.

3. The Channels of Trade Are Identical Notwithstanding Carolina's Attempt to Treat the Class 25 Limitation as Though It Limited California's Common Law Rights.

a. Limitations in a Registration Only Limit the Affirmative Benefit Provided by the Registration and Not the Available Common Law Rights or Channels of Trade.

Carolina's analysis of the channels of trade rests on the assumption that, having agreed to one narrow channel of trade for Class 25 goods in connection with its '953 registration, California is somehow legally and/or factually precluded from selling SC-branded clothing or having any common law rights outside of that narrow channel of trade. [See generally App. Br. 36 (assuming the Board need only consider California's own bookstores given the '953 Registration's restrictions on channels of trade), App. Br. 40 (contending that registration allegedly "mandated" that all California apparel pass through "university-controlled outlets").] This would once again distort trademark law beyond recognition.

It is black-letter law that a registration is not a prerequisite for trademark protection, and a party will receive common law trademark rights based on its use regardless of whether it has a registration or not. *In re Int'l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1366, 51 USPQ2d 1513, 1516 (Fed. Cir. 1999); *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1473, 1 USPQ2d 1772, 1774 (Fed. Cir. 1987). The rights provided by a registration are merely additional and supplemental to those common law rights that a party has already acquired through use. *In re Int'l Flavors*, 183 F.3d at 1366, 51 USPQ2d at 1516.

As a result, a limitation or disclaimer in a trademark registration does not limit a registrant's pre-existing or subsequent common law rights. *In re Franklin Press, Inc.*, 597 F.2d 270, 273, 201 USPQ 662, 664 (CCPA 1979) ("common law rights remain unaffected" even if a disclaimer is required for registration); *Dieter v. B & H Indus. of Sw. Fla., Inc.*, 683 F. Supp. 1345, 1357 (M.D. Fla. 1988), *overruled on other grounds at* 880 F.2d 322, 11 USPQ2d 1721 (11th Cir. 1989) (party may prove common law rights beyond those in the registration). As noted above, California agreed that the additional affirmative benefits to be provided by a Class 25 registration would extend only additional

rights deriving from California's sales in "university controlled" channels of trade. However, California did not agree to give up its more extensive common law rights in order to secure extra (if limited) protection from the additional registration in Class 25.

Carolina cites no authority for its bizarre assumption that a limitation on the additional rights granted by registration means that California is precluded from selling in any other channel of trade. The reason that no such authority exists is that the Lanham Act seeks to encourage registration. *In re Int'l Flavors*, 183 F.3d at 1366; *Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 735, 23 USPQ2d 1701, 1704 (Fed. Cir. 1992). It would defeat both the letter and the spirit of the Lanham Act if registrants had to give up present or future common law rights as a condition to secure a registration.

Rather, California retains all of its common law rights (*as well as* its rights stemming from its registrations for "SC" in typed form in Classes 6, 18 and 24) despite any cap on the extra benefits that are provided from its additional registration in Class 25. Although California concedes that Carolina does not sell through California-controlled channels of trade, the fact is irrelevant since Carolina does sell its SC merchandise in the same more general "university approved" channels of trade through which California sells its SC-branded collegiate apparel and collegiate merchandise.

b. The Evidence Clearly Demonstrates that California Sells Through the Same General Channels of Trade as Carolina.

In its opening brief, California exhaustively laid out the evidence that both parties sell their collegiate clothing through mass merchandisers like Wal-Mart, mid-tier mass retailers like JCPenney, high-end sporting goods specialty stores like Foot Locker and Finish Line, big box sporting goods stores like SportMart, giftware and memorabilia stores like The Pro Image and Hatworld/Lids, home furnishing stores like as Bed Bath and Beyond, home improvement stores like Home Depot and online retail outlets. [Opening Brief of Opposer California 10-15.] Carolina does not address this evidence at all (perhaps because it cannot), and so California need not burden the Board by reiterating that evidence here.

Other than its erroneous contention that California is somehow legally restricted to selling clothing in its own bookstores, Carolina's only other argument under channels of trade is that consumers are allegedly sophisticated and seek only goods from one school or the other. However, Carolina's

argument is not only off-base, but is once again addressed to the wrong *DuPont* factor. That argument goes to the fourth *DuPont* factor (the conditions under which and buyers to whom sales are made). *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 UQPQ 563 (CCPA 1973). California addresses those claims below, wherein California will not only (a) disprove the alleged sophistication but also (b) show that such sophistication could not overcome similarity of marks, goods, and channels of trade.

With respect to the third *Du Pont* factor, it is sufficient simply to note that California has established that both schools use virtually the same channels of trade.

4. The Conditions of Sale Increase the Likelihood of Confusion.

a. Carolina Simply Glosses Over the Fact that Collegiate Merchandise is Frequently Sold With Various Institutions Mixed Together.

In its opening brief, California detailed the copious evidence that brick and mortar retailers typically sell hats and other collegiate apparel mixed together. These conditions of sale range from hats being organized by color to hats just generally laid out without regard to which institution is represented by the hats, to a completely disorganized pile of hats. [O-Exs. 305-08, 328, 330-349.] Carolina's own witness admitted that it was not surprising to find collegiate products from different schools shelved next to each other without any form of separation. [TD-Walsh 62:11-16.]

Carolina simply ignores this evidence in the hopes that it will go away if not mentioned. However, the photographs from California's private investigator show that retailers often sell collegiate merchandise all mixed together without any separation based on institution. This fact increases the likelihood that consumers will be confused as to the source of any particular piece of apparel.

b. Carolina Overstates the Prices and Ignores the Fact That the Goods May Be Impulse Purchases.

In its brief, Carolina states that the "hats, t-shirts, sweatshirts bearing the South Carolina's mark, including the South Carolina Baseball Logo, retail for \$15.00-\$88.00." [App. Br. 23.] Carolina reiterates that the goods "retail, on average from between \$15 for hats and over \$80 for some sweatshirts." [App. Br. 39.] Carolina's wording is carefully constructed to suggest that the goods at issue average somewhere *between* \$15 on the low end to \$80 on the high end and never less than \$15 dollars.

That is again flatly wrong. As California noted in its opening brief, Carolina's hats are sold as cheaply as \$5 dollars at Wal-Mart. [TD-Walsh 67:3-20:2, O-Ex. 271.2 (discussing \$5 Carolina hat for Wal-Mart with a single logo).] While it is true that California's hats sell, *on average*, for more, the fact that these figures are averages inherently means that some of the hats sell for more while some may sell for significantly less. [See, e.g., O-Ex. 227 (\$9.99 hat bearing California's "SC" logo).]

In addition, while some of Carolina's high-end sweaters may be as expensive as \$88.50, Carolina's application is not addressed to "high end sweaters." Indeed, Carolina's application does not even mention sweaters. Carolina seeks to register its marks for hats, t-shirts, shorts, and jerseys which – as noted above – include the \$5 dollar hat sold in bulk at Wal-Mart.

While Carolina cites a number of inapposite cases for the contention that clothing is not necessarily an impulse item, Carolina cites only *one* case that discusses the care given in purchasing collegiate apparel.⁹ See *Bd. of Supervisors v. Smack Apparel Co.*, 438 F. Supp. 2d 653, 661 (E.D. La 2006) ("*Smack Apparel*"). In *Smack Apparel*, the court found as a matter of law that collegiate t-shirts are "not purchased with a high degree of care." *Id.* This supported a finding of a likelihood of confusion. *Id.*

c. Carolina Overstates the Separation and Sophistication of Buyers and, Even If It Existed, Such Sophistication Could Not Justify Using the Same Mark on the Same Goods Through the Same Channels of Trade.

Carolina's opening brief posits a world where Carolina fans are essentially a different species than California fans, and each institution's respective fans are highly sophisticated and immediately perceive any difference in marks. Unfortunately, there is no competent evidence to support that view and

⁹ The cases cited by Carolina are *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 57 USPQ2d 1097 (3rd Cir. 2000), *Nike, Inc. v. Just Did It Enterprises*, 6 F.3d 1225, 1230, 28 USPQ2d 1385 (7th Cir. 1993), and *Brockmeyer v. Hearst Corp.* 248 F. Supp. 2d 281 (S.D.N.Y. 2003). *A&H Sportswear* specifically relied not only on the fact that women's apparel purchasers in particular tend to be discerning but also the fact that there were no contrary relevant cases cited. *A&H Sportswear*, 237 F.3d at 225, 57 USPQ2d at 1114. *Nike* was an infringement case where the Seventh Circuit found that individuals spending \$39.95 (in 1991 dollars) could not be assumed, at summary judgment, to be exercising little care. *Nike*, 6 F.3d at 1230, 28 USPQ2d at 1389. Finally, *Brockmeyer* involved purchasers of sadomasochistic fetish magazines rather than members of the general public purchasing fan-gear. *Brockmeyer*, 248 F. Supp. 2d at 290, 299.

the fact that the goods travel through the same mass-market channels of trade tends to disprove the idea. Moreover, as a matter of law, sophistication of consumers will not save an application when the mark, the goods, and the channels of trade are all the same.

i. The Evidence Does Not Support Consumer Separation or Sophistication.

While Carolina posits a world in which each school's merchandise is directed solely to different categories of fans, the Federal Circuit has held that, when an applicant seeks an *unrestricted* application, the Board may not consider allegations of a specific class of customers for the applicant's goods. *Octocom Sys., Inc. v. Houston Computer Servs., Inc.*, 918 F.2d 937, 942, 16 USPQ2d 1783 1787-88 (Fed. Cir. 1990) (holding it would have been error to consider such evidence).

In addition, the reality is that each school's merchandise is sold through a wide variety of retail stores that sell to the general public. Such apparel may not only be purchased by the fans themselves, but by the family and friends of such fans. [TD-Stimmler 35:9-21; DD-Corbett 85:8-12 at O-Ex. 252.25.] Even if there were some distinction in customer preference, the products are not narrowly targeted. In other words, California fans and those buying for California fans will shop in the general retail channels of trade that sell Carolina goods, and consequently the marks are encountered by the same persons. Even if California fans or their friends and family would not intentionally purchase Carolina goods, they would likely be confused when encountering Carolina's SC-branded goods in a JCPenney, a Wal-Mart, or a Sports Authority store. *See generally CAE, Inc. v. Clean Air Eng'g, Inc.*, 267 F.3d 660, 683, 60 USPQ2d 1449, 1465 (7th Cir. 2001) ("The more widely accessible and inexpensive the products and services, the more likely that consumers will exercise a lesser degree of care and discrimination in their purchases.")

Moreover, in contrast to Carolina's view of the market, there is no competent evidence in the record that only hard-core fans purchase these goods. [See generally TD-Stimmler 34:17-25 (less than 20% of purchasers at California's bookstores are hard-core fans).]¹⁰ Friends and family purchase such

¹⁰ Over California's objection (and before clarification on cross examination), Carolina did elicit testimony from a witness that collegiate fans were necessarily sophisticated. [TD-Walsh 25:15-27:7.]

[Footnote continued on next page]

goods. [TD-Stimmler 35:9-21; DD-Corbett 85:8-12 at O-Ex. 252.25.] Carolina's own witness admitted that customers of general retail stores are not necessarily sophisticated. [TD-Walsh 76:19-77:2, 77:13-14, 77:17-19.] Carolina tries to avoid the effect of this testimony by making what amounts to an argument that while lots of people go to Wal-Mart, only hard-core fans purchase collegiate goods at Wal-Mart. [App Br. 18.] However, this is not only inconsistent with the nature of stores like Wal-Mart (which carry merchandise that appeals to a general audience) but also with the evidence that collegiate sales can double based on the success of a season. [TD-Walsh 77:17-19, 78:8-10, 78:21-79:1.] Obviously the additional interest in a school during a successful season comes from additional members of the public – people who are not regularly hard-core fans. *Id.*; see generally *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 1376, 73 USPQ2d 1689, 1695 (Fed. Cir. 2005) (champagne purchasers would include general consumers as well as connoisseurs).

Carolina also argues that California's fans are sophisticated because they tend to have better educations, higher incomes, and a larger net worth than the average person. [App. Br. 23-24 citing A-Exs. 387, 389.] However, this is another irrelevancy. Carolina cites no evidence or authority that demonstrates that richer or more educated people are necessarily sophisticated in distinguishing between variations in collegiate goods. *CAE, Inc. v. Clean Air Eng'g, Inc.*, 267 F.3d 660, 683, 60 USPQ2d 1449, 1465 (7th Cir. 2001) (sophistication in one area does not translate into trademark sophistication); see also *Reebok Int'l Ltd. v. K-Mart Corp.*, 849 F. Supp. 252, 268 n.18, 31 USPQ2d 1882, 1893 n.18 (S.D.N.Y. 1994), *vac'd as moot*, No. 92 Civ. 8871 1994 WL 733616 (S.D.N.Y. Dec. 28, 1994) (rejecting assertion that there is a direct connection between income and consumer intelligence). If anything, the fact that part of California's fan base is richer than average may mean that such customers are less inclined to pay close attention to a \$5 dollar (or even \$20 dollar) purchase.

[Footnote continued from previous page]

The witness was not proffered as an expert, and does not work for a company that deals directly with consumers. As such, the witness's testimony on this point is not competent and should be ignored. *Daly v. Far Eastern Shipping Co. PLC.*, 238 F. Supp. 2d 1231, 1237-38 (W.D. Wash 2003) (admiral's testimony properly excluded since admiral had no directly knowledge and was not designated as expert).

ii. Even If the Consumers Were Sophisticated, This Cannot Save an Application for Similar Marks on Similar Goods Sold Through Similar Channels of Trade.

Both this Board and the Federal Circuit have repeatedly held that even sophisticated purchasers can be confused by very similar marks applied to very similar products. *In re Shell Oil, Co.*, 992 F.2d 1204, 1208, 26 USPQ2d 1687, 1690 (Fed. Cir. 1987) (distinguishing cases involving *professional* purchasers); *In re Hester Indus., Inc.*, 231 USPQ 881, 883 (TTAB 1986) (“even sophisticated purchasers are not immune from confusion as to source where, as here, substantially identical marks are applied to related products”). Other courts conclude the same. *See, e.g., PACCAR Inc. v. TeleScan Techs., L.L.C.*, 319 F.3d 243, 254, 65 USPQ2d 1761, 1767 (6th Cir. 2003) (citing cases) (“[I]f marks are similar, as they are here, ‘then purchaser care will decrease the likelihood of confusion only minimally.’”).

Indeed, the Federal Circuit has expressly held that alleged sophistication of consumers is “outweighed” by “strong similarity of marks and identity of goods.” *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 948-49, 55 USPQ2d 1842, 1847 (Fed. Cir. 2000) (citing *Weiss Assoc. Inc. v. HRL Assocs., Inc.*, 902 F.2d 1546, 1548, 14 USPQ2d 1840, 1841-42 (Fed. Cir. 1990)). As such, even if there *were* some degree of consumer sophistication here, that fact alone would not permit Carolina to proceed with the same mark for the same goods sold through many of the same channels of trade. *In re Research & Trading Co.*, 793 F.2d 1276, 1279, 230 USPQ 49, 50 (Fed. Cir. 1986).

d. While Not Every Rendition of Pantone 201 Is The Same, Both Schools Are Attempting to Use the Same Cardinal Color and That Adds to the Confusion.

In its brief, Carolina urges the Board to ignore the fact that both schools use Pantone 201 as a primary color and Carolina cites to testimony in which witnesses were asked whether printouts of various items from each school are the same color. [App Br. 21.] However, the record is quite clear that any given manufacturer may end up with a slightly different shade of Pantone 201 when trying to produce that color. [TD-Corbett 67:18-68:3 (“Pantone 201 will look differently on different types of material”).] The Board is also undoubtedly aware that printouts, photographs and color copies are not always true to the originals. The fact that one print-out from Carolina does not have exactly the same shade as a different

print-out from California is hardly relevant, particularly when the Board can see that two pages of one print-out from the same school will not necessary even appear in the same color. [See, e.g., A-Ex. 54.1 and 54.2 (two pages from California with different colors).] This is simply another attempt to distract the Board from the best evidence in the record.

As noted in California's opening brief, all parties have agreed that while various manufacturing and printing efforts may differ, the best description of a color is the Pantone number. [DD-Corbett 48:11-16 at O-Ex. 252.13; TD-Corbett 67:8-15; TD-Walsh 53:9-19; *see also* TD-Kennedy 62:12-20.] And as California explained in its opening brief, both Carolina and California instruct their licensees to use Pantone 201 if they are using a school color. [DD-Corbett 48:11-16 at O-Ex. 252.13 ("When I approve products, I make sure it's pantone 201"); TD-Corbett 67:8-15; O-Exs. 24.12, 24.14 (California school color is Pantone 201).] This case involves products, and Carolina's witnesses and documents are both explicit that while Carolina's licensees may call the color *either* "garnet" or "cardinal," those licensees use Pantone 201 when they seek to use Carolina's school color. [*Id.*; TD-Corbett 66:25-67:17 (admitting that some licensees refer to Pantone 201 as cardinal but indicating pantone number governs); *see also* O-Exs. 290.1 (approved artwork for Carolina in "cardinal"), 291.1 (same), 292.1 (same), 293.1 (same), 362.1, 364.1, O-Ex. 366.1; *see further* O-Exs. 265-266 (Carolina products using "cardinal" and Pantone 201), A-Exs. 53.1, 174.1, 178.1, 180.1, 194.1, 196.2 (same).] The result is that two products in Pantone 201 from the same manufacturer will typically have the exact same shade of red whatever the label. [See, e.g., O-Ex. 3.] The Board is entitled to look past the face of the application to facts of actual use that show additional reasons why confusion would be likely. *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 355, 22 USPQ2d 1453, 1458 (Fed. Cir. 1992).

Finally, to the extent that Carolina contends that the use of different colors necessarily *distinguishes* products from the two institutions, Carolina not only ignores the fact that the schools share Pantone 201 as a primary color but also the fact that there are no restrictions on color in either Carolina's application or its subsequent merchandising. In fact, Carolina has authorized a variety of hats bearing its marks without any particular color. [See, e.g., O-Exs. 352-355, 358, 361, 363]. Carolina's application is

also not limited in any way to any particular color. Carolina cannot insist that its use of a particular color distinguishes its products while at the same time selling products that use other colors and pursuing an application that has no such color restriction.

e. Carolina Cannot Rely on Secondary Identifiers to Distinguish Its Goods.

Carolina also suggests in passing that consumers can distinguish its SC-branded apparel from California's SC-branded apparel because Carolina may use secondary identifiers on the goods. However, Nothing in Carolina's registration requires any secondary identifier. In evaluating this application, the Board must evaluate the issue of likelihood of confusion on the basis of the goods as they are identified in the applications and the registration. *Canadian Imperial Bank of Commerce v. Wells Fargo Bank*, 811 F.2d 1490, 1493, 1 USPQ2d 1813, 1815 (Fed. Cir. 1987); *Octocom Sys., Inc. v. Houston Computer Servs., Inc.*, 918 F.2d 937, 942, 16 USPQ2d 1783, 1787 (Fed. Cir. 1992). If the applicant's applications list the goods broadly and there are no limitations as to the nature, type, channel of trade or classes of purchasers, the Board must presume that the applicant's goods encompass all goods of the type described, that they move in all normal channels of trade and that they are available to all potential customers. *In re Elbaum*, 211 USPQ 639, 640 (TTAB 1981).

Carolina also glosses over the fact that it has no firm policy on this subject and licenses goods (including the \$5 SC hat sold through Wal-Mart) that do not have any other Carolina identifier. [TD-Walsh 67:3-20-34:2, O-Ex. 271.2 (discussing \$5 Carolina hat for Wal-Mart with "one logo hit"); O-Exs. 353, 361-69.] In addition, to the extent that Carolina uses "USC" as the secondary identifier, "USC" does not help separate the goods of the two parties. [O-Ex. 354.2 and TD-Corbett 71:13-22.]

f. The Fact that Some National Schools Have Historically Shared A Single Initial Does Not Mean that Carolina Is Entitled To Start Using a Mark Previously Exclusive to California.

In support of an assertion that consumers necessarily make fine distinctions when viewing collegiate and other sports marks, Carolina submits more than 140 registrations for different entities that share initials with one or more other entities. [A-Exs. 217-357.] However, without more information, the registrations cannot shed any light on the issues in this case for the follow reasons:

i. Carolina's Basic Approach Is Fundamentally Flawed Because It Amounts to Finding All Marks Weak For a Given Good or Service if Any Marks Are Weak in that Good or Service.

Essentially, Carolina's position amounts to a claim that if any given mark for a good or service is crowded, this means that consumers are necessarily used to making distinctions and therefore no mark relating to that good or service is entitled to any protection. For a concrete example, consider grocery stores. Carolina's position amounts to an argument that since there are more than a dozen registrations in International Class 35 for marks using "Pantry," consumers are necessarily sophisticated in making distinctions between grocery store names. From this, Carolina's position would mean that there was very little protection even for entirely different marks such as PIGGLY WIGGLY® or WEGMANS®.

Yet again, Carolina asserts a bizarre theory that strays far from basic principals and would obliterate trademark law. Carolina cites no authority that a mark is weaker because some other marks in the field are similar to each other but not to the mark at issue. Such an approach might require mark holders to police marks in which they have no direct interest. The theory is legally incoherent.

ii. Even if the Theory Were Legally Coherent, Carolina Submits No Meaningful Evidence About Whether These Marks Are Used, How These Marks Are Used, or Whether There Is Any Confusion.

It is well-established that registrations, standing alone, are typically poor evidence of a crowded marketplace because a registration does not demonstrate that the marks are actually being used on goods, how they are being used on goods, or how the consumer understands such use. 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 17:17 (4th Ed. 2006); *In re Broyhill Furniture Indus., Inc.*, 60 USPQ2d 1511, 1514 (TTAB 2001). That concern is particularly relevant here, since Carolina relies on at least 12 registrations that have been cancelled in their entirety (plus others abandoned or cancelled in part). [See, e.g., A-Exs. 225, 227, 265, 282-83, 302, 304, 334, 347, 349-50, 355.]

For the vast majority of these marks, Carolina submitted *no* evidence at all to show use or how the marks are actually used. For a very small handful, Carolina submitted evidence that the marks are being used on hats. [A-Ex. 13.2, 13.4, 13.6-12.] However, for each of the examples submitted by Carolina, the evidence demonstrates that those particular goods bear a secondary identifier such as the

name of the school or school mascot or both on the hats. [*Compare* A-Ex 13 (partial printouts of product pages with hats) *with* O-Exs. 300-01, 303 (showing full printouts of same product pages in A-Ex. 13 including school mascots and names).] To the extent that the registrants in Applicant's Exhibits 217-357 follow a uniform practice using secondary identifiers, any co-existence by those particular parties sheds no light on this case because Carolina's application does not require any secondary identifier and because Carolina does not uniformly use any secondary identifier in connection with its goods.

Further more, there is no evidence about how long the marks reflected in these registrations have been used, how widely the marks have been used, and the channels of trade through which goods bearing these marks have been sold. Without evidence about the duration or scope of the use, the Board could not possibly find that the registrations shed any light on the current situation. If the marks have been used only for short periods of time or in different geographical areas, then the evidence is irrelevant because it does not demonstrate any meaningful co-existence. *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992). On the other hand, if the marks have co-existed for a very long time (and many of these institutions have existed for more than a century), it does not shed any light about the confusion likely to result when one institution suddenly adopts a mark that had been previously exclusive to another institution. In short, even if Carolina's bald assertion were correct about the extent of confusion among these marks, it is impossible to deduce anything without knowing the extent of use.

Finally, Carolina simply asserts that there is no confusion among any of the goods or services from the registrants reflected in Applicant's Exhibits 217 through 357. However, there is no meaningful evidence about whether or not, in fact, there is confusion at the retail level. Part of the reason that registration certificates alone are such poor evidence is because they do not accurately capture whether the marketplace is, in fact, successfully distinguishing between the marks reflected on the register. *Lilly Pulitzer, Inc. v. Lilli Ann Corp.*, 376 F.2d 324, 325, 153 USPQ 406, 407 (CCPA 1967).

iii. The Registrations Cited By Carolina Tend to Include Designs and The Evidence on Verbal Use Demonstrates That None Of Those Registrants Are Known Verbally By Initials.

Virtually all of the more than 140 registrations identified by Carolina consist either of stylized lettering or a design mark – and the overwhelming majority include distinctive design elements such as a

school mascot. [A-Exs. 217-91, 293-322, 324-357.] Moreover almost all of the cited registrations involve a single letter. [A-Exs. 217-79, 283-90, 297-321, 324-357.] Obviously, nothing about a stylized letter or a design mark such as the Stanford logo with the Cardinal tree in front of the letter “S” suggests that individuals refer to the registrants verbally by those initials. [A-Ex. 311]

Not only is there no evidence that they are known verbally by those initials, there is affirmative evidence to the contrary. When asked about those registrants for which Carolina had submitted examples of hats, Carolina’s witness expressly testified that was not aware any of those registrants were known verbally by those initials. [TD-Walsh 69:22-72:16.] This is quite different than the present case, in which witness from both parties confirmed that California is verbally known as “SC.” [TD-Kennedy 51:14-52:6; TD-Stimmler 38:12-22; TD-Walsh 72:17-19.]

To the extent that the registrations involve competing design marks that happen to include an initial, they are entirely inapposite to the current situation where California possesses an incontestable registration in typed form for the letters “SC” and there is undisputed evidence that California uses a variety of forms of that “SC” mark and is known verbally by the SC mark. Put differently, even if the Board assumes that the University of Florida’s gator wearing an “F” on its chest can co-exist with Ferris State University’s bulldog wearing an “F” on its collar, that co-existence sheds no light on this case.¹¹

**iv. By Contrast, Schools That Are Known By Their Initials
Frequently Have Registrations in Typed Form.**

By contrast to those schools who are not known by their initials (and who therefore can co-exist based on separate designs), schools who are known verbally by those initials often secure registrations in

¹¹ California acknowledges that Applicant’s Exhibit 292 reflects an “NY” mark in typed form for the New York Yankees and Exhibit 323 reflects an “UM” mark in typed form for the University of Maryland. However, the Board cannot draw inferences from the fact that one or two marks issued in uncontested proceedings where third parties failed to object. *In re Nett Designs, Inc.*, 236 F.3d 1339, 1342, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001) (TTAB must decide each case on own merits); *In re Nat’l Novice Hockey League, Inc.*, 222 USPQ 638, 641 (TTAB 1984) (Board not bound by actions of examiners); *In re Scholastic Testing Serv., Inc.*, 196 USPQ 517, 519 (TTAB 1977) (same). Put differently, Carolina cannot force California to accept a new variant of California SC mark simply because the Yankees were willing to coexist with a classic Met form of “NY.”

typed form in order to preclude precisely this circumstance. Virtually all of the schools for which Carolina's own witness acknowledged verbal use of initials also own trademark registrations in typed form. [TD-Walsh 72:20-22, 72:25-73:5, 86:14-21, 87:2-88:10, O-Ex. 407 ("GW" typed form registration for George Washington), O-Ex. 409-410 ("B.C." for Boston College, "KU" for Univ. of Kansas), O-Exs. 412-418 ("FSU" for Florida State, "BYU" for Brigham Young, "TCU" for Texas Christian, "NYU" for New York University, and "SMU" for Southern Methodist.).] To the extent that the Board turns to *any* registrations for precedent, California's position parallels the unique nature of "BYU" for Brigham Young University rather than the "T" logo for Texas A&M. *See generally Smack Apparel*, 438 F.Supp.2d at 663 (Univ. of Oklahoma could preclude unauthorized use of "OU" because it was known by those initials.)

5. California Has Demonstrated That Its "SC" Is Nationally Recognized And Carolina's Arguments About Its Own Fame Are Irrelevant.

a. While There Is Limited Direct Evidence of Advertising, There Is Substantial Evidence That California's Mark is Very Well Known.

Unlike a situation where a company allocates a budget to advertise a particular product by name, there is no specific category of California advertising that relates precisely to its SC mark. Since the SC mark is principally known as California's athletic mark, the consuming public is exposed to that mark principally through California's athletic efforts which are widely covered by both local and national media without any particular advertising expenditures by California. In addition, while California sells tens of millions of dollars in merchandise, this merchandise is typically sold by licensees through third-party retailers who do their own advertising without necessarily reporting their expenditures to California. In general, California typically licenses the "SC" mark as part of a package of other marks so that it cannot track advertising or sales specifically as to the "SC" mark.

Nevertheless, this Board has already found that an opposer may rely on indirect evidence of recognition in situations like this one where the typical evidence would not be particularly indicative of the extent to which a mark is known. In the case of *Time Warner Entertainment Co. L.P. v. Jones*, 65 USPQ2d 1650, 1659 (TTAB 2002), Time Warner had limited direct evidence of advertising of its ROAD RUNNER mark. *Id.* The ROAD RUNNER mark was primarily known to the public through cartoons that were widely broadcast but for which Time Warner engaged in very little traditional advertising. *Id.*

at 1658-59. Moreover, while Time Warner regularly licensed the ROAD RUNNER mark for various products, any advertising for such products was generally handled by licensees rather than Time Warner itself. *Id.* at 1659. Nevertheless, the Board properly concluded that it could look to indirect evidence to establish the public recognition of the ROAD RUNNER mark. *Id.*

The *Time Warner* case applies here. Like Time Warner, California has wide recognition for its marks as a result of public broadcasting of its programming. [See, e.g., O-Ex. 161.8 (describing national media attention for California's football team which has used the Athletic Interlock form of the SC mark since at least 1994); O-Exs. 163-222 (articles from around the country covering California sporting events).] There can be no question that California is well-known. [*Id.*; see also *Smack Apparel*, 438 F.Supp.2d at 660 (noting that plaintiffs – including California – had well-known logos and designs).] Moreover, unlike Carolina, the evidence shows that all of California's national athletic success has been achieved while SC has been the principal athletic mark. [See California's Opening Brief 8-9; O-Ex. 161.13 (California's teams have won at least 104 national collegiate titles).] In other words, California's public recognition for athletics reflects exposure of California's use of its SC mark.

Moreover, like Time Warner, California has licensed the SC mark to a very large number of licensees who sell goods bearing that mark. [O-Ex. 1.1-4 (reflecting more than 200 licensees for the SC Interlock form of the SC mark), O-Ex 1.5 (reflecting licensees, including Nike and New Era for the Baseball Interlock form of California's SC).] Additionally, the royalty reports from California's licensees show that California's goods are literally sold across the nation. [See generally O-Exs. 67, 76-77.]

Another irrefutable piece of indirect evidence comes from the selected newspaper and magazine articles from around the nation. These not only reflect the wide public coverage of California athletics but they also show that editors and writers of periodicals of general circulation regularly refer to California as "SC." This is more than sufficient to demonstrate that California is widely recognized as "SC" and that the letters "SC" identify California. *Nat'l Cable Tel. Ass'n, Inc. v. Am. Cinema Eds., Inc.*, 937 F.2d 1572, 1577-78 & n.3, 19 USPQ2d 1424, 1428 (Fed. Cir. 1991) (public's use of mark referring to mark holder supports fame of mark); see also *Am. Stock Exch., Inc. v. Am. Express Co.*, 207 USPQ 356,

363 (TTAB 1980) (“AMEX” protected); *Norac Co., Inc. v. Occidental Petroleum Corp.*, 197 USPQ 306, 315 (TTAB 1977) (earlier use of “OXY” by public determined priority).

In sum, since SC is California’s primary athletic mark, evidence about the extent of public recognition for California’s athletics teams necessarily reflects the recognition for California’s SC mark. Both direct evidence and indirect evidence in this case establishes that California’s SC mark is widely known, and the fifth *DuPont* factor therefore weighs in favor of finding a likelihood of confusion.

b. Carolina’s Arguments About Its Own Fame Are Irrelevant.

Carolina spends a considerable portion of its opening brief arguing that it is at least as well-known as an institution, if not more well-known. However, since the evidence clearly shows that Carolina generally has not used any SC mark for very long periods of time, Carolina’s general recognition does not provide any basis for rights in the SC mark. Even if Carolina were as well-known as California, a general level of recognition would not give Carolina the right to infringe on one of California’s marks any more than Burger King has the right to use BIG MAC® just because it may be as well-known as McDonalds. Carolina cites no evidence that a junior user is entitled to appropriate a senior user’s mark because the junior user is well-known, for the simple reason that there is no such authority.

At times, Carolina seemingly wants to argue that it has priority for the SC mark merely because it contends it is generally as well-known as California or that it generally sells as much general collegiate product as California. [See App. Br. 7-8 (conflating discussion of general licensing revenue and licensing of SC without providing any evidence on the relationship between the two).] Nevertheless, none of this evidence shows that Carolina used SC as a mark before 1997 on products. In addition, none of the evidence on general renown shows that Carolina had any viable rights in SC before 1992 (*i.e.*, after its third abandonment period). Whatever Carolina’s general level of renown as an institution, the mere fact that it is well-known does not give it any rights where – unlike California – there is no evidence linking that renown to the mark at issue in this case.

In addition, Carolina spends a considerable portion of its evidence and briefing arguing that its baseball team has been successful since 1997 under the Carolina version of the SC mark and that Carolina has licensed various products since 1997 with the Carolina version of the SC mark. [App. Br. 7-9.]

Again, Carolina cites no authority that this is relevant. Even if the evidence actually backed up Carolina's extravagant claims to extensive recognition for its baseball team, that evidence would not establish priority for Carolina. When a junior user engages in substantial use of a confusingly similar mark, that substantial use merely increases the junior user's liability for infringement rather than giving the junior user any rights. *In re Shell Oil Co.*, 992 F.2d 1204, 1207-08, 26 USPQ2d 1687, 1690 (Fed Cir. 1993) (recognizing doctrine of reverse confusion). Carolina is, without question, a large NCAA Division IA institution that competes athletically in a major NCAA Division IA conference. As discussed below, however, this does not help Carolina. The fact that both parties are large NCAA Division IA schools is a fact that massively increases the likelihood of confusion because they compete for national media attention and sell collegiate goods through the same retail channels.

6. There Is No Evidence of Material Third-Party Use of the "SC" Mark.

a. Carolina Has No Material Evidence of Third-Party Sales of Collegiate Merchandise, Much Less Evidence of Sales in Relevant Markets.

Both the University of Southern California and the University of South Carolina are large NCAA Division IA schools whose athletic teams play on the national stage. They are schools that regularly receive extensive television and other media coverage. Their collegiate merchandise is sold through national retailers like JCPenney, Wal-Mart, Sports Authority, Finish Line, etc.

In its opening brief, California noted that Carolina's only evidence of sales of third-party merchandise was an internal website from Springfield College in Massachusetts dated December 2005. Carolina presented no evidence as to the extent or duration of any such sales. While evidence of third-party use may be relevant to show that members of the consuming public are likely to expect to make distinctions between marks similar to the subject mark, nothing about a new internal website for a local college is likely to demonstrate that the consuming public in a JCPenney or a Wal-Mart or a Sports Authority store is likely to expect to make distinctions between SC-branded collegiate merchandise. *Palm Bay Imports, Inc. v. Veuve Clicquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1374, 73 USPQ2d 1689, 1694 (Fed. Cir. 2005) (quoting J. Thomas McCarthy, 2 *McCathy on Trademarks and*

Unfair Competition § 11:88 (4th Ed. 2001)). Consumers shopping in those stores would typically expect to find collegiate clothing only for nationally known institutions like California and Carolina.

Perhaps recognizing that the single website printout from Springfield College in December 2005 is not adequate evidence of any relevant sales in the consuming marketplace, Carolina points out that it has also submitted evidence that Santa Clara University is now selling at least one SC-branded product. However, this fact is no more helpful since the evidence also shows that California only recently became aware of that fact and California promptly objected to Santa Clara's use of a form of the SC mark. [DD-Kennedy 168:15-169:21 at O-Ex. 427.2-3.] Moreover, there is again no evidence about the duration or extent of Santa Clara's sales of any SC-branded product. Since third-party usage will matter only to the extent that the third-party uses are recognized by consumers, Carolina receives no benefit from another school's recent infringement on California's rights. *Palm Bay*, 396 F.3d at 1373, 73 USPQ2d at 1963; *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1338, 57 USPQ2d 1557, 1561 (Fed. Cir. 2001).

b. California's 1993 Consent to the Spelman Schoolhouse Design Is Not Relevant Either Factually As the Mark, Parties and Goods Are Quite Different or Legally As the Agreement Was Executed Years Ago.

Carolina contends that California's SC mark should be considered a weak mark in light of California's 1993 agreement that California's SC mark can co-exist with the use by Spelman College ("Spelman") of an "SC (and schoolhouse design)" mark. Carolina is wrong on both the fact and the law.

On the facts, Carolina seeks to gloss over the differences between Spelman and California that led California to accept this agreement. First, the marks themselves are significantly different. Although Carolina attempts to portray the Spelman mark as though it were just another iteration of California's SC word mark, Applicant's Exhibit 168.8 reveals that the Spelman mark is actually a very specific design:



[A-Ex. 168.8.] Consumers would recognize this as having a separate commercial impression.

In addition, the parties specifically agreed in 1993 that they did not foresee any likelihood of confusion between Spelman College and the University of Southern California. [A-Ex. 168.5 ¶7.] This

was in part because of the differences in the mark, but also because Spelman College is a small single-sex school that – as an NCAA Division III school – does not compete on the national stage and does not market its goods through national channels of trade. [DD-Kennedy 195:16-196:3 at O-Ex. 428.4-5.] In addition, the goods and services at issue for Spelman were alumni magazines, college bookstore services, educational services, and plastic shopping bags. [A-Ex. 168.1.] For a small college, these are all goods and services that would be inherently provided under circumstances where the context was virtually certain to avoid any confusion (*i.e.*, a Spelman alumni magazine would not likely cause confusion because it would be sent primarily to Spelman alumni and would have other indicia related to Spelman College and a Spelman bookstore would be on or near the Spelman campus and include other Spelman indicia.). Although Carolina attempts to construe "typical college bookstore merchandise" out of context to suggest California approved Spelman clothing, the context clearly indicates the type of merchandise under consideration. [Contract App. Br. 15 with A-Ex. 168.5.]

In short, on the facts, the 1993 Spelman consent agreement allowed for a mark with significantly different design elements to be used by a small college in connection with goods and services that inherently were unlikely to cause confusion. This is quite different from the current case, where Carolina seeks to register a form of California's SC mark without any distinguishing design, to be used on clothing, which in turn will be sold through national retailers like Wal-Mart or JCPenney without any inherent context that would help avoid confusion. "It is reasonable for the trademark owner to object only to those third-party uses which it believes would conflict with its mark while not objecting to other third-party uses." 2 McCarthy, *McCarthy on Trademarks and Unfair Competition* § 17:17 (4th Ed. 2006) (citing *McDonald's Corp. v. McKinley*, 13 USPQ2d 1895 (TTAB 1989)).

On the law, virtually all of the cases cited by Carolina involve a party seeking to overcome an examiner's refusal to approve a mark for publication on the basis of Section 2(d) despite the consent of the prior registrant. *See, e.g., In re Four Seasons Hotel, Ltd.*, 987 F.2d 1565, 1569, 26 USPQ2d 1071, 1073 (Fed. Cir. 1993) (holding that prior registration not a bar to new application given consent of prior registrant to allow registration). To the extent that Carolina relies on *Swedish Beer Export Co. v. Canada*

Dry Corp., 469 F.2d 1096, 176 USPQ 59 (CCPA 1972), the Federal Circuit's more recent decision in *Majestic Distilling* effectively overruled *Swedish Beer* and held that old consent agreements with third parties will provide little assistance to an applicant not a party to those agreements. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1318, 65 USPQ2d 1201, 1205-06 (Fed. Cir. 2003). As the Federal Circuit explained in the *Majestic Distilling* case:

[W]e agree that no presumption can be made that Stroh consents to Majestic's use of the mark or that Stroh has determined or admits that confusion of the public by Majestic's concurrent use of the mark is unlikely. Moreover, the Stroh agreements with [third parties] are several years old and may not reflect current views. For example, Stroh may now have knowledge of incidents of actual confusion, and may no longer hold the same view with respect to the likelihood of confusion as it did when it executed those third-party agreements or when it argued to the PTO that there was no likelihood of confusion.

315 F.3d at 1318; *see also In re Donnay Int'l, Society Anonyme*, 31 USPQ2d 1953, 1956 (TTAB 1994) (rejecting idea that *In re Four Seasons* established any per se rule, even when prior registrant specifically consents to the mark at issue).

In short, the existence of the 1993 Spelman consent agreement for Spelman's schoolhouse design is neither legally nor factually relevant to assessing the strength of California's SC mark.

c. Whether Certain Local Colleges Are Using "SC" For Athletic Teams Is Irrelevant Without Evidence That Such Schools Sell Products or Are Otherwise Recognized By the Consuming Public.

As discussed above, third-party use is relevant only to reflect the extent to which the consuming public would expect to differentiate between otherwise very similar marks. *Palm Bay*, 395 F.3d at 1373, 73 USPQ2d at 1663. The use must be sufficiently widespread to "condition" the public. *Id.* at 1374, 73 USPQ2d at 1694. In light of that principal, it is clear that third-party use of "SC" by local athletic teams will not make it any more likely that the consuming public in a Wal-Mart, JCPenney, Sports Authority, or other similar store will differentiate between different SC-branded collegiate apparel.

While Carolina's evidence does suggest that certain local colleges may at one moment of time have used SC logos on their athletic uniforms, there is no evidence that any school except Springfield College (discussed above) actually sells any merchandise, much less that any of those schools sells merchandise in the general retail channels of trade used by California and Carolina. The mere fact that

local schools may use it on one team is not relevant evidence of use on goods, and Carolina's repeated citation to *In re Broadway Chicken, Inc.* is inapposite since the *Broadway Chicken* case dealt with services whose use could be proven through yellow pages ads. *In re Broadway Chicken*, 38 USPQ2d 1559, 1565-66 (TTAB 1996). Put differently, the fact that athletic teams at Sacramento City College may have copied California's SC mark on its local baseball team does not mean it sells such goods or make it any more likely that the consuming public for hats, t-shirts, jerseys, and shorts expects to distinguish between apparel products bearing SC logos. *See generally Nat'l Cable Tel. Ass'n, Inc. v. Am. Cinema Editors*, 937 F.2d 1572, 1579, 19 USPQ2d 1424, 1430 (Fed. Cir. 1991) (use of ACE by third parties not relevant where such uses were sufficiently different); *see also Carl Karcher Enters., Inc. v. Stars Rests. Corp.*, 35 USPQ2d 1125, 1131 (TTAB 1995) (finding "small and local" third-party users in "obscure" locations to have "limited probative value" in determining how customers likely perceive marks at issue.)

7. While the Lack of Evidence of Actual Confusion Would Not Be Relevant, the Presence of Actual Confusion Supports California.

As the Board is well aware, evidence of actual confusion is notoriously difficult to obtain. *Hard Rock Café Int'l (USA), Inc. v. Elsea*, 56 USPQ2d 1504, 1513-14 (TTAB 2000); *Penguin Books Ltd. v. Eberhard*, 48 USPQ2d 1280, 1287 (TTAB 1998). It is unnecessary to show actual confusion to find a likelihood of confusion. *Weiss Assocs., Inc. v. HRL Assocs., Inc.*, 902 F.2d 1546, 1549, 14 USPQ2d 1840, 1843 (Fed. Cir. 1990); *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1571, 218 USPQ 390, 396 (Fed. Cir. 1983).

Moreover, an absence of evidence of actual confusion will not help a junior user unless there is evidence of sufficient existing uses that the Board would have expected to result in actual confusion if there were any likelihood of confusion. For example, an absence of actual confusion is irrelevant without a showing that appreciable numbers of the junior user's products have been sold in the same channels and same geographic areas as the senior user's products over a significant period. *Gillette Canada Inc. v. Ranir Corp.*, 23 USPQ2d 1768, 1774 (TTAB 1992). Likewise, the absence of actual confusion is irrelevant if the goods at issue are inexpensive or if some percentage of the goods are sold in specific contexts that make confusion less likely. *In re Sunmarks, Inc.*, 32 USPQ2d 1470, 1473 (TTAB 1994).

In this case, of course, there is no evidence of the extent to which Carolina has sold any goods bearing its version of the SC mark. Although Carolina began selling hats with its SC mark sometime in 1997, there is no evidence as to the volume of total Carolina hat sales or the proportion of Carolina's hats that bear Carolina's version of the SC mark. There is also no evidence that Carolina began selling SC-branded jerseys before 2003 or t-shirts or shorts before November 2004, and there is no evidence as to the sales volume of Carolina jerseys, t-shirts, or shorts after 2003 (much less evidence of the proportion of such sales that bear the SC mark). To the extent that there is evidence in the record as to the geographic extent of Carolina's sales, such evidence suggests that Carolina's sales of SC-branded products to date are concentrated in a narrow area around the state of South Carolina. [TD-Walsh 28:18-29:12, 34:9-15, 35:2-7, 35:20-36:1, 36:10-17, 36:24-37:7, 37:15-38:2; 38:8-23.]¹² Finally, the goods are inexpensive and Carolina is many layers removed from whatever confusion may be reported to the retailers. Even if there were not any evidence of actual confusion, the lack of evidence could not help Carolina.

More importantly, as discussed in California's opening brief, there *is* evidence of actual confusion in the marketplace as to SC-branded items. While Carolina is correct that most of this evidence relates to retailers improperly identifying California goods as coming from Carolina, trademark law has long recognized the fact that a junior user's use of a confusingly similar mark may create situations where the consuming public becomes confused about the source of the senior user's product (*i.e.*, reverse confusion) and both registrants and common law users are entitled to protection against reverse confusion. *In re Shell Oil Co.*, 992 F.2d 1204, 1207-08, 26 USPQ2d 1687, 1690 (Fed Cir. 1993). Since there is actual confusion here, it is highly probative of a likelihood of confusion. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1317, 65 USPQ2d 1201, 1205 (Fed. Cir. 2003).

¹² While narrow geographical sales may help Carolina avoid actual confusion and an infringement suit, it does not justify the issuance of a national registration. *Giant Food*, 710 F.2d at 393, 218 USPQ at 393; *Carl Karcher Enters., Inc. v. Star Restaurants Corp.*, 35 USPQ2d 1125, 1133 (TTAB 1995) (distance between present locations cannot justify issuance of national registration).

8. Both Schools Use the Marks on a Wide Variety of Collegiate Goods.

The Board need not consider the *DuPont* factor relating to the variety of goods on which a mark is used since the marks are used on the exact same goods. However, this factor would nevertheless favor California as the SC mark is used on a wide variety of collegiate merchandise. The consuming public has come to expect that collegiate hats, t-shirts, jerseys and shorts bearing any SC mark come from the same source as other collegiate merchandise such as keyrings, pennants, etc.

9. The Agreements for Geographically Distinct Use of USC on Educational Services Do Not Excuse Carolina's New National Application for SC On Products.

In its brief, Carolina includes a discussion of the 1981 and 1997 consent agreements between the parties relating to the "USC" mark. Although Carolina includes that discussion under its arguments about the strength of SC as a mark, the question is properly addressed under the *DuPont* factor relating to market interface between the parties. *DuPont*, 476 F.2d at 1361, 177 USPQ at 567. Regardless of the factor to which they apply, however, the consent agreements are simply irrelevant here.

As an initial matter, these agreements dealt with a different mark, which has a very different history. Unlike the SC mark at issue here, the parties recognized that California and Carolina had each used the "USC" mark continuously since at least 1931. [A-Ex. 167.1.] Essentially Carolina's position is that anytime one party acknowledges that it has previously co-existed with a second party on one mark, it is somehow obligated to allow that second party to then adopt any of the first party's other marks. Carolina cites no authority that would transform a recognition of co-existence on one mark into consent to a second mark. Not only is this illogical, but it would discourage any party from entering into any consent agreement lest that party thereby effectively license its entire trademark portfolio.

In addition, only the 1981 consent agreement dealt with products and it was executed at a time when there was barely any national market for collegiate products. In 1981, the parties could reasonably have assumed that USC products would likely be sold through channels of trade that were more specifically oriented to each school's fan and alumni base. The respective scope of sales for each party has expanded radically since then. More recently, California *has* experienced confusion on products with

Carolina. [DD-Stimmler 99:22-101:12 at O-Ex 420.2-4.]¹³ Even if the party's opinions on the USC mark could somehow qualify as relevant to their views of likely confusion for the SC mark, the 1981 consent agreement is clearly far too dated to be of any use here. *In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1318, 65 USPQ2d 1201, 1205-06 (Fed. Cir. 2003).

By contrast, the 1997 agreement dealt only with services, and it specifically provided for a geographical separation between the two schools. To the extent that Carolina is arguing that the 1997 consent agreement provides evidence that the parties believed that the two schools could share the same mark on products without any limitations on region of sales, the geographical limitations in the 1997 consent agreement disprove that argument. *See generally E. Remy Martin & Co. v. Shaw-Ross Intl'l Imports, Inc.*, 756 F.2d 1525, 1531, 225 USPQ 1131, 1135 (11th Cir. 1985) (error to consider consent agreement for marks in France as applying outside of that geographic area).

10. Carolina's Inequitable Conduct Also Supports Denial of the Application.

In its opening brief, California noted that although Carolina applied for its version of the SC mark in 1997 on the basis of actual use in commerce for hats, t-shirts, jerseys and shorts, the evidence in fact showed that Carolina did not start using its version of the SC mark on jerseys until after March 3, 2003 or on t-shirts or shorts until after November 17, 2004. [See StipFact ¶ 55; A-Ex. 185.]

Carolina asserts (a) that it was, in fact, using its version of the SC mark on those goods at all times since 1997 and (b) that it failed to produce any documentation of that fact because it destroyed the documents. [App. Br. 45.] On the first point, Carolina relies on testimony from its licensing director, Ken Corbett. [App. Br. 45 citing TD-Corbett 18:6-20.] However, Corbett is not competent to testify on this subject because he was not Carolina's licensing director until fall of 2001. [TD-Corbett 6:17-19.] Although he claimed to be "peripherally involved" with licensing before that date, he had no specific

¹³ Carolina attempts to get around California's experiences of confusion for USC by assuming that California was obligated to inform Carolina of any such confusion and has never done so. [App. Br. 16 citing A-Ex. 166.3.] However, Applicant's Exhibit 166 has no such obligation. Much as Carolina wants to gloss over reality by pointing to a non-existent provision, the evidence is to the contrary.

knowledge about the state of licensees and did not know when Carolina first started to use the mark on t-shirts, shorts, or jerseys. [TD-Corbett 6:20-7:5, 65:8-66:24.] Corbett's testimony is self-serving and without foundation and should be disregarded in the face of documents that do not support that claim.

For the second point Carolina cites no evidence to show that it destroyed the records. Certainly it had no difficulty in locating the original 1997 license for Roxxi, Inc. for hats. [A-Ex. 53.] Indeed, Carolina was able to produce various photos of the actual hat itself. [A-Ex. 50.] Nothing in the record supports Carolina's claim to have destroyed the evidence of first use on 3 of the 4 clothing items at issue.

Finally, even if there were a basis for believing that Carolina destroyed the relevant evidence, the destruction of such evidence should create an inference that it was unfavorable for Carolina. *Paramount Pict. Corp. v. Davis*, 77 USPQ2d 1933, 1941 (E.D.Pa 2005) (inference appropriate where party destroys relevant evidence in its possession after notice of suit). Parties cannot simply destroy relevant evidence with litigation pending and then seek to use conclusory, self-serving and incompetent testimony instead.

The fact that Carolina misled the Patent and Trademark Office about whether or not it was actually using the goods specified in the application in commerce is inequitable conduct, and supports denial of the application. *Medinol Ltd. v. Neuro Vasx Inc.*, 67 USPQ2d 1205 (TTABN 2003).

C. California's First Use of the SC Mark Dooms Carolina's Counter-Claim

Carolina's counter-claim against California's registration of the Athletic Interlock form of its SC mark was based on a general assertion that Carolina was the first common law user of the SC mark for educational services, athletic exhibitions, retail sales, and various collegiate products. [Counter-Claim ¶¶ 26-28.] Carolina alleged generally that the letters SC "point uniquely and unmistakably to" Carolina. [*Id.* ¶ 28.] Carolina further alleged it would be damaged by the existing registration for the Athletic Interlock form only to the extent that such registration precluded Carolina's own registration. [*Id.* ¶¶ 33-34.] As discussed above, the evidence clearly shows (a) that California is the first user of the SC mark in connection with goods since the rat hat cannot count, and (b) although it is not relevant whether Carolina has priority in connection with educational services and athletic exhibitions given California's unchallenged use since at least 1906, Carolina repeatedly abandoned whatever questionable rights it may have possessed and cannot be considered the first user of the letters SC for such services either.

Carolina pursues a theory in its brief that it did not plead: it contends that it actually used a very specific form of the SC mark similar to California's Athletic Interlock form. [App. Br. 46-47.] It further contends it used that form for athletic events after its last abandonment in 1991 but before California sold any goods in 1994 with the Athletic Interlock. Carolina cites a handful of pictures showing its baseball teams using a descending SC mark between 1992 and 1995, a product approval form from 1998 showing a descending SC mark, and a website of unknown date showing a similar South Carolina hat for sale. [App. Br. 46.] California objects that this is not the theory pled by Carolina and should not be considered even if the evidence actually supported it and even if California's 1990 '953 registration for SC in typed form did not provide priority regardless of stylization (which it does).¹⁴

More importantly, to the extent that the case is determined on specific stylizations, Carolina would only have grounds to challenge the 2,683,137 registration for the Athletic Interlock if the Athletic Interlock is confusingly similar to Carolina's current baseball form of the SC mark. In other words, Carolina's counter-claim comes into play only if the descending interlock form of SC that Carolina used in the mid-1990s is similar to the Carolina's baseball form of SC adopted in 1997. However, it is clear California's 1958 Baseball Interlock is at least as similar as Carolina's current baseball form to the descending interlock from the 1990s. So, if California's Athletic interlock as reflected in the '137 registration bars Carolina's current application, that means that the two marks are confusingly similar. If an overlapping mark is confusingly similar to the descending interlock form, that in turn means that Carolina's descending interlock was an infringement on California's Baseball Interlock. Carolina cannot both seek to cancel the descending Athletic Interlock as interfering with its current baseball interlock and yet claim that its own descending interlock is valid in the face of California's Baseball Interlock.

¹⁴ The claim would be highly questionable even on the evidence in the record since Carolina's baseball team gave up the descending form of SC for use with athletic exhibitions in 1997 when it adopted the different form at issue here. The fact that Carolina in 1988 approved a product based on a design it gave up should not give Carolina any priority for products simply because it had previously used (and abandoned) a similar mark for services. Moreover, it appears that Carolina likely abandoned the design even for products between 1998 and 2005, and California would have provided additional evidence on this issue if the matter had been put at issue by the pleadings.

The bottom line is that, under Carolina's new and unpled theory, Carolina would only seek to cancel the Athletic Interlock if there is a confusing similarity between the standard overlay (as reflected in the applied for "Carolina Baseball" mark and California's "Baseball Interlock") and a descending interlock (as reflected in California's Athletic Interlock and Carolina's mid-1990s mark). However, in such a case, California's undisputable priority for its California Baseball Interlock would have priority over Carolina's 1992 descending interlock and Carolina would never have had any legitimate rights on which to base a counter-claim. California's priority for in the SC mark is dispositive of both the claim and the counter-claim regardless of whether the Board views all of these as variations of California's long-established SC mark (as California contends) or whether the Board looks to specific stylizations.

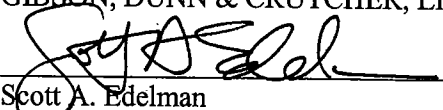
Carolina's argument that it receives priority by virtue of being a subdivision of the State of South Carolina is also without merit. As California noted in its opening brief, a party receives benefits of prior use only if the use is of the same type and traditional governmental services (such as road signs or historical markers) are not the same type of use as collegiate merchandise. *American Optical Corp. v. Autotrol Corp.*, 175 USPQ 725 (TTAB 1972). Different use, even by a separate division in the same company, will not suffice. *Proctor & Gamble Co. v. Johnson & Johnson, Inc.*, 485 F. Supp. 1185, 1199, 205 USPQ 697, 709-10 (S.D.N.Y. 1979). Carolina cites to *Gaylord Bros., Inc. v. Stroebe Prods Co., Inc.*, 140 USPQ 72 (TTAB 1963) for the proposition that it is a successor entity, but *Gaylord Bros.* does not suggest that Carolina can claim priority for a very different type of use. To the contrary, the company in *Gaylord Bros.* merely continued the exact same business previously conducted by its founder when he was a sole proprietor. *Gaylord Bros.*, 140 USPQ at 73. Even if the Board had not already ruled against Carolina on this point, the differences in goods and services would be dispositive.

III. CONCLUSION

For the reasons discussed above, this Board should grant judgment in favor of California.

Dated: November 17, 2006

Respectfully submitted,
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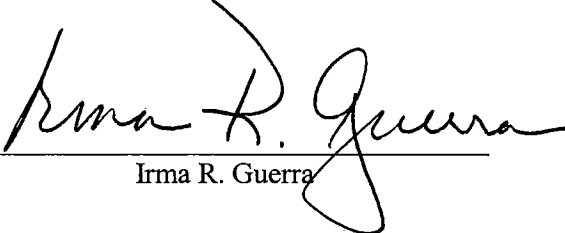
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **REPLY BRIEF OF THE UNIVERSITY OF SOUTHERN CALIFORNIA AS PLAINTIFF IN THE OPPOSITION AND OPPOSITION BRIEF AS DEFENDANT IN THE COUNTERCLAIM FOR CANCELLATION [VERSION WITH CONFIDENTIAL PORTIONS REDACTED]** is being placed in the United States mail, first class, postage pre-paid, addressed to the following on this 17th day of November, 2006.

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